

**HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
BOARD OF DIRECTORS
REGULAR MEETING**

January 14, 2021

MINUTES

The Board of Directors (Board) of the Hawaii Housing Finance and Development Corporation (HHFDC) met virtually for their regular meeting at their office, located at 677 Queen Street, Suite 300, Honolulu, Hawaii, on Thursday, January 14, 2021, at 9:00 a.m.

**I.
CALL TO
ORDER/
ROLL CALL**

With a quorum present, Chair Donn Mende called the meeting to order.

Those present and excused were as follows:

Present: Director Donn Mende, Chair
 Director Gary Mackler, Vice Chair
 Director Rona Fukumoto, Secretary (arrived at 9:08 a.m.)
 Director Carol Reimann (arrived at 9:03 a.m.)
 Director Melvin Kahele
 Director George Atta
 Director Mike McCartney (arrived at 9:01 a.m.)
 Director Kymberly Sparlin
 Designee Roderick Becker for Director Craig Hirai

Executive Director Denise Iseri-Matsubara

Staff Present: Sandra Ching, Deputy Attorney General
 Francis Keeno, Executive Assistant
 Janice Takahashi, Chief Planner
 Darren Ueki, Housing Finance Manager
 Dean Minakami, Development Branch Chief
 Holly Osumi, Chief Financial Officer
 Christopher Woodard, Real Estate Portfolio Manager
 Carianne Abara, Development Support Section Chief
 Lorna Kometani, Sales & Counseling Section Chief
 Patrick Inouye, Housing Finance Specialist
 Jocelyn Iwamasa, Housing Finance Specialist
 Melissa Loy, HHFDC Corporate Controller
 Albert Palmer, Housing Development Specialist
 Cheryl Kajitani, Housing Development Specialist
 Gayle Nishimoto, Interim Budget Analyst
 Jason Takata, Property Management Coordinator
 Kent Miyasaki, Housing Information Officer
 Esa Pablo, Secretary to the Board

Guests: Paul Fortino, Northport
 Joe Michael, Pacific Development Group
 Alan Jacobsen, Waiahole Valley
 Taylor Hunt, Vaughn Bay Construction
 Nicholas Miyamoto, Accuity LLP
 Donn Nakamura, Accuity LLP
 James Rock, UHC H4 LLC
 Thomas Fischer, Ikaika Ohana

Director Kahele moved, seconded by Vice Chair Mackler

That the regular meeting minutes of December 10, 2020 be approved.

The motion was carried unanimously.

**II.A.
APPROVAL
OF MINUTES**
Regular
Meeting
12/10/2020

(Director McCartney arrived at this time – 9:01 a.m.)

Executive Assistant Francis Keeno announced that HHFDC received two requests from the public to provide oral testimony on the Executive Directors Report regarding the Rent Relief Program. Testifiers were informed a head of time that they will have three minutes to testify and that the Board and staff is not obligated to answer any questions that may be posed during their testimony. He further stated that at the appropriate time, testifiers would be called individually and placed on speakerphone to provide their oral testimony.

Director Kahele moved, seconded by Vice Chair Mackler

That the regular meeting minutes of December 10, 2020 be approved.

The motion was carried unanimously.

(Director Reimann arrived at this time – 9:03 a.m.)

Chief Financial Officer Holly Osumi provided a PowerPoint presentation (see Attachment A) to the Board on the HHFDC Financial and Compliance Audit. Copies of the PowerPoint presentation and audited financial statements were noted to be available upon request to the Secretary to the Board.

(Director Fukumoto arrived at this time – 9:08 a.m.)

Staff's recommendation for the Board's consideration was noted as follows:

That the Corporation's Board of Directors accept the audited financial statements of the Corporation for the fiscal year ending June 30, 2020.

Director Kahele moved, seconded by Vice Chair Mackler

That staff's recommendation be approved.

Osumi opened for questions, along with Mr. Donn Nakamura and Mr. Nicholas Miyamoto of Accuity LLC.

Executive Director Iseri-Matsubara expressed her appreciation for the Fiscal Management Branch staff and Accuity on a job well done and the time spent in preparing the audit and presentation. Chair Mende concurred.

There being no further discussion, the motion was carried unanimously.

Housing Finance Specialist Patrick Inouye presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Renew the Housing and Community Development Corporation of Hawaii (HCDCH) Note in accordance with the terms and conditions outlined in Section III(E) of the For Action.
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Vice Chair Mackler moved, seconded by Director Fukumoto

That staff's recommendation be approved.

Inouye stated that the project is an existing 81-unit affordable rental facility targeted for families, offering 1-, 2-, 3-, and 4-bedroom units, at 50 and 60 percent area median gross income (AMGI).

II.B.
APPROVAL
OF MINUTES
Executive
Session
12/10/2020

III.A.
DISCUSSION
AND/OR
DECISION
MAKING
Accept the Audited
Financial Statements
of the Hawaii
Housing Finance
and Development
Corporation for the
Fiscal Year Ended
June 30, 2020

III.B.
DISCUSSION
AND/OR
DECISION
MAKING
Approve a Loan
Renewal for the Hale
Hoaloha Project
Located in Hilo,
Hawaii, TMK No.:
(3) 2-4-057: 027

With the HCDCH's Note maturing on December 4, 2019, a Renewal Loan and terms were based on the following factors:

- Anticipated debt coverage of 1.35x on senior and subject debt (referenced in Exhibit A within the For Action)
- Interest brought current from loan inception
- Transition to monthly principal interest payment and a lower interest rate to emphasize principal payment following 36-years of no principal reductions and increasing accrued interest.
- Amortization period provides for payback 6-years prior to ground lease maturity.
- Shorter maturity of 7-years allows for re-evaluation of the project's performance and loan terms.

Inouye opened for questions, along with Mr. Paul Fortino, on behalf of the project.

Vice Chair Mackler asked whether the lease controls the affordability requirement for the project. In addition to the Project Based Section 8, which allows tenants to pay only 30 percent of their income, Inouye clarified that the 50 and 60 percent AMGI requirement is controlled under the tax credit and bond declarations.

Chair Mende asked whether the financing includes the accrued interest. Inouye stated that the accrued interest is not included within the principal balance. In order to renew the loan, the accrued interest would need to be brought current.

There being no further discussion, the motion was carried unanimously.

Housing Finance Specialist Jocelyn Iwamasa presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to issue the Hula Mae Multi-Family (HMMF) Bonds for the Halawa View II Project to January 31, 2022; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Director McCartney

That staff's recommendation be approved.

Iwamasa stated that the subject For Action requests a 12-month extension to issue the bonds for the Halawa View II project, a newly constructed 156-unit rental facility for families at or below 30, 40, 50, and 60 percent AMGI.

The 12-month extension request was evaluated based on the project's progress made in site control, zoning approvals, and securing financing commitments. The Halawa View II, LP continues to work on obtaining its final approval from the Disability and Communication Access Board (DCAB), approval of building permits, and on the sale and syndication of its federal and state Low Income Housing Tax Credits (LIHTC) with Citibank and Hunt Capital Partners, LLC, respectively.

It was noted that the building permits for the project are anticipated in June 2022, with construction to start in July 2022, and project completion in June 2024.

Iwamasa opened for questions, along with Mr. Joe Michael, on behalf of the project.

**III.C.
DISCUSSION
AND/OR
DECISION
MAKING**

Approve an Extension to Resolution No. 129, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Halawa View II Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

Given the project’s updated schedule indicated within Exhibit B of the For Action, Vice Chair Mackler asked whether the project’s estimated timeline for building permits in June 2022 were still anticipated to be met. Michael stated that he believes they can meet that schedule, which accounts for the transition in administration of the City’s Department of Planning and Permitting.

There being no further discussion, the motion was carried unanimously.

Iwamasa presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the the Rental Housing Revolving Fund (RHRF) Letter of Intent (LOI) dated July 12, 2019 for the Halwa View II project to January 31, 2022, subject to the requirements as set forth in the For Action dated July 11, 2019; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Vice Chair Mackler

That staff’s recommendation be approved.

With project facts remaining the same to the previous For Action presented, Iwamasa stated that the subject For Action requests a 12-month extension for the RHRF LOI and opened for questions, along with Mr. Joe Michael.

There being no questions, the motion was carried unanimously.

(Director Reimann was excused at this time – 9:45 a.m)

Iwamasa presented the For Action, stating staff’s recommendation for the Board’s consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to issue the HMMF Bonds for the Halawa View III Project to January 31, 2022; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Director McCartney

That staff’s recommendation be approved.

Iwamasa stated that the subject For Action requests a 12-month extension to issue the bonds for the Halawa View III project, a newly constructed 146-unit rental facility for families at or below 30, 40, 50, and 60 percent AMGI.

The 12-month extension request was evaluated based on the project’s progress made in site control, zoning approvals, and securing financing commitments. The Halwa View III, LP continues to work on obtaining its final approval from DCAB, approval of building permits, and on the sale and syndication of its federal and state LIHTC with Citibank and Hunt Capital Partners, LLC, respectively.

It was noted that the building permits for the project are anticipated in June 2022, with construction to start in July 2022, and project completion in June 2024.

Iwamasa opened for questions, along with Mr. Joe Michael, on behalf of the project.

**III.D.
DISCUSSION
AND/OR
DECISION
MAKING**

Approve an Extension to the Rental Housing Revolving Fund Project Letter of Intent for the Halawa View II Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

**III.E.
DISCUSSION
AND/OR
DECISION
MAKING**

Approve an Extension to Resolution No. 130, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Halawa View III Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

There being no questions, the motion was carried unanimously.

Iwamasa presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the RHRF LOI dated July 12, 2019, for the Halawa View III Project to January 31, 2022, subject to the requirements as set forth in the For Action dated July 11, 2019; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Director McCartney

That staff's recommendation be approved.

With project facts remaining the same to the previous For Action presented, Iwamasa stated that the subject For Action requests a 12-month extension for the RHRF LOI and opened for questions, along with Mr. Joe Michael.

There being no question, the motion was carried unanimously.

Inouye presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Extend the deadline to issue HMMF Bonds for the Kaiaulu O Waikoloa Project to January 31, 2022; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Director McCartney

That staff's recommendation be approved.

Inouye stated that the subject For Action requests a 12-month extension to issue the bonds for the Kaiaulu O Waikoloa project, a newly constructed 60-unit rental facility for families at or below 30, 40, and 60 percent AMGI.

The 12-month extension request was evaluated based on the project's progress made in site control, zoning approvals, and securing financing commitments. The additional 6 months will be used as a precautionary measure for possible timing issues that may occur regarding the project's building permit issuance and Project Based Section 8 approvals. Due to the COVID-19 pandemic, the project is exploring the possibility of additional LIHTC to further reduce debt burden of the project under the 4 percent LIHTC program change by the Internal Revenue Services.

Inouye opened for questions, along with Mr. James Rock, on behalf of the project.

Chair Mende inquired on the Project Based Section 8 approval. Inouye stated the project's Section 8 is currently under review and pending approval from the HUD regional office.

There being no further discussion, the motion was carried unanimously.

Inouye presented the For Action, stating staff's recommendation for the Board's consideration:

**III.F.
DISCUSSION
AND/OR
DECISION
MAKING**

Approve an Extension to the Rental Housing Revolving Fund Project Letter of Intent for the Halawa View III Project Located in Aiea, Oahu, TMK No.: (1) 9-9-003: 026 (por.)

**III.G.
DISCUSSION
AND/OR
DECISION
MAKING**

Approve an Extension to Resolution No. 095, Which Provides for Official Intent with Respect to the Issuance of Hula Mae Multi-Family Tax-Exempt Revenue Bonds for the Kaiaulu O Waikoloa Project Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-003: 028

**III.H.
DISCUSSION
AND/OR
DECISION**

That the HHFDC Board of Directors approve the following:

- A. Extend the RHRF LOI dated January 17, 2017, for the Kaiaulu O Waikoloa project to January 31, 2022, subject to the requirements as set forth in the For Action dated December 12, 2017; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director Kahele moved, seconded by Director McCartney

That staff's recommendation be approved.

With project facts remaining the same to the previous For Action presented, Inouye stated that the subject For Action requests a 12-month extension for the RHRF LOI and opened for questions, along with Mr. James Rock.

There being no question, the motion was carried unanimously.

Development Support Section Chief Carianne Abara presented the For Action, stating staff's recommendation for the Board's consideration:

That the HHFDC Board of Directors approve the following:

- A. Recording of a new Grant of Easement; and
- B. Authorize the Executive Director to undertake all tasks necessary to effectuate the purposes of the For Action.

Director McCartney moved, seconded by Director Kahele

That staff's recommendation be approved.

Abara stated that the Grant of Easement would allow HECO to construct, operate, and maintain equipment related to proving utility services. Installation of the underground wiring was paid for by Alan and Brooke Jacobsen, the Lessee of Lot 81.

There being no questions, the motion was carried unanimously.

Chair Mende proceeded to the Overview of the Executive Director and opened for oral testimony.

Executive Assistant Keeno first called Mr. Eduardo Hernandez, reiterating the process and the three minute time limit for providing oral testimony.

Mr. Hernandez thanked the members for allowing him to testify on the Rent Relief Program in which he felt the public was not properly informed. Mr. Hernandez inquired about the agency who would lead the upcoming 2021 rent relief and recommended that a community advisory board be established to provide transparency for future rent relief programs.

Executive Assistant Keeno called the next testifier, Mr. Steve Ferraris, whose call went to voicemail stating that the "mailbox was full." Keeno stated that he received the same message at the time he tried calling a couple of days ago to confirm Mr. Ferraris' request for oral testimony.

Chair Mende proceeded to the report of the Executive Director.

Executive Director Iseri-Matsubara thanked Mr. Hernandez for his testimony. In reference to Mr. Hernandez' written testimony submitted, she stated that she was glad to read that he benefited from the State's Rent Relief and Housing Assistance (RRHA) program.

MAKING

Approve an Extension to the Rental Housing Revolving Fund Letter of Intent for the Kaiaulu O Waikoloa Project Located in Waikoloa, Hawaii, TMK No.: (3) 6-8-003: 028

III.I. DISCUSSION AND/OR DECISION MAKING

Approve a Grant of Easement to Hawaiian Electric Company (HECO) for the Waiahole Valley Agricultural Park and Residential Lots Subdivision Lot No. 81 (File Plan No. 2052, Lot No. 66) Located in Waiahole Valley, Ko`olaupoko, Oahu, TMK No.: (1) 4-8-012: 045

IV. OVERVIEW OF THE EXECUTIVE DIRECTOR

In light of the RRHA program, Executive Director Iseri-Matsubara stated that HHFDC and its non-profit partners, Catholic Charities and Aloha United Way, were recognized for their good work by Community Leader James Koshiba and Gavin Thorton of Hawaii Appleseed, the House Select Committee on COVID-19, and on Forbes.com, which featured the state of Hawaii as a leader in the United States in disbursing the rent relief funds to the community.

Executive Director Iseri-Matsubara thanked the HHFDC staff for a job well done in exceeding the RRHA program in the short amount of time, especially Chief Planner Janice Takahashi; Contract Officer Krystal-Lee Tabangcura; Info Tech Systems Analyst Marc Orbito; Chief Financial Officer Holly Osumi; Housing Information Officer Kent Miyasaki; and Deputy Attorneys General.

Executive Director Iseri-Matsubara provided a recap on the RRHA program which at the end of December 2020:

- About 13,700 households were helped thus far, with some pending landlord verifications prior to disbursement;
- The projected total disbursement is about \$60 million, along with the cost for non-profits to administer the program totaling about \$71 million; and
- An estimated balance of \$29 million transferred to the Unemployment Trust Fund in accordance with Act 9.

HHFDC will now refocus on its core mission of financing and developing of affordable housing for the community.

Director Kahele inquired about the new Rent Assistance and Mediation program. Executive Director Iseri-Matsubara stated that program will be funded by the Department of Commerce and Consumer Affairs Office and administered by Catholic Charities.

In response to Mr. Hernandez' question, Vice Chair Mackler inquired about the 2021 Rent Relief program (COVID-19 Emergency Rental Assistance program (ERA)) and whether it would go through HHFDC or another State agency. Executive Director Iseri-Matsubara stated that program is to be administered by the counties, of which the Hawaii County and the City and County of Honolulu were eligible for a direct allocation.

In Vice Chair Mackler's follow-up question, he inquired about the allocation for the remaining counties. Executive Director Iseri-Matsubara stated that the Department of Budget and Finance will make recommendations to the Governor on distribution to the counties accordingly.

Directors Sparlin, Fukumoto, McCartney, Kahele, and Chair Mende expressed their appreciation to the HHFDC staff, non-profits, and volunteers who, in addition to their normal core functions, implemented the RRHA program to help those in need.

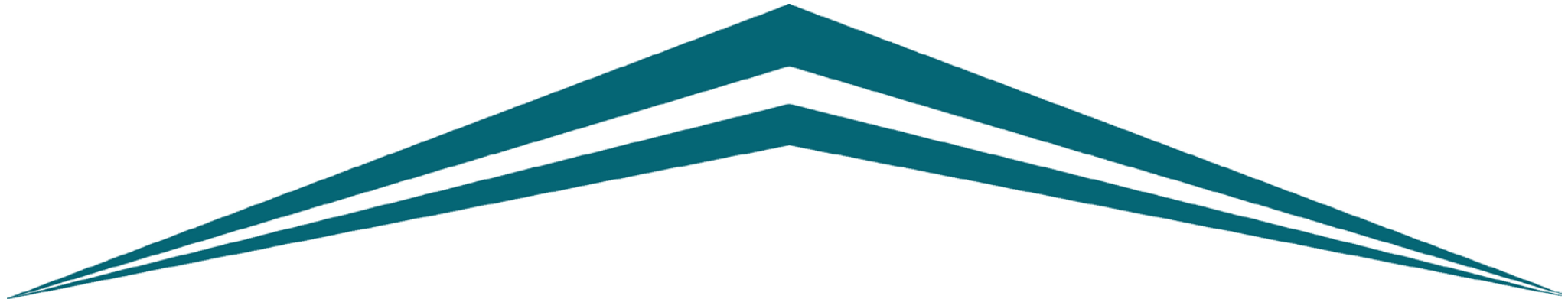
Executive Director Iseri-Matsubara thanked the Board for their support and stated that HHFDC will be now working on its legislative packet for the Governor's review and approval, as well as working through regulatory and infrastructure issues to help projects move forward.

There being no further business on the agenda, Director Kahele moved, seconded by Vice Chair Makler, to adjourn the meeting at 10:20 a.m.

**V.
ADJOURNMENT**
10:20 a.m.

Rona Fukumoto

RONA FUKUMOTO
Secretary



HHFDC

Hawaii Housing Finance & Development Corporation

Financial and Compliance Audit

For the Fiscal Year Ended
June 30, 2020

State of Hawaii Hawaii Housing Finance and Development Corporation

Presentation to the Board of Directors

January 14, 2021

Fiscal and Compliance Audit

for the Fiscal Year Ended June 30, 2020

Report of Independent Auditors

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Report of Independent Auditors

Accuity LLP rendered an **unmodified** opinion on the audited financial statements. The financial statements present fairly, in all material respects, the Corporation's financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with generally accepted accounting principles.



Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Internal Control Over Financial Reporting


In planning and performing the audit of the financial statements, Accuity LLP considered the Corporation's internal control over financial reporting to determine the audit procedures that are appropriate for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

Accuity LLP **did not identify** any deficiencies in internal control that are considered material weaknesses in respect to the limited purpose.

**Report of Independent
Auditors on Internal
Control Over Financial
Reporting and on
Compliance and Other
Matters Based on an
Audit of Financial
Statements Performed in
Accordance with
Government Auditing
Standards (continued)**

Compliance and Other Matters

Accuity LLP performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements of which noncompliance could have a direct and material effect on the determination of financial statement amounts. The results of their tests disclosed **no instances of noncompliance** or other matters that are required to be reported.



Report of Independent Auditors on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Opinion on Each Major Federal Program

Accuity LLP identified HOME Investment Partnership Program (CFDA 14.239) as a major federal program.

Accuity LLP opined that the Corporation complied, in all material respects, with the types of compliance required as described in the OMB Compliance Supplement that could have a direct and material effect on the Corporation's major federal program for the year ended June 30, 2020.

Prior Year Audit Finding in Connection with the Uniform Guidance

In the Financial and Compliance Audit Report as of June 30, **2019**, Accuity LLP reported an instance of noncompliance as required under the Uniform Guidance.

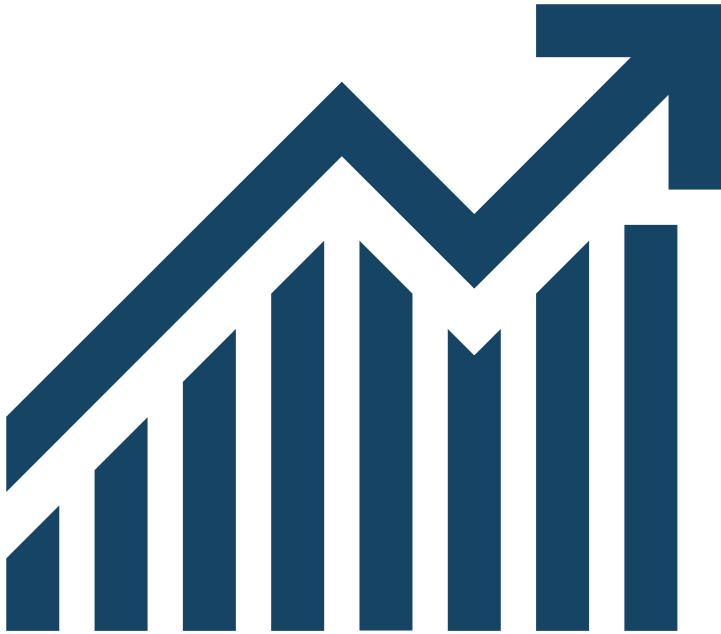
Finding: Accuity LLP reported that the Corporation established policies and procedures to ensure compliance with the **Housing Trust Fund** Program requirements, however, these policies and procedures were not in written form as required in accordance with Title 24 of the U.S. Code of Federal Regulations (“24 CFR”) § 93.404.

**Prior Year Audit Finding in
Connection with the
Uniform Guidance (continued)**

Recommendation: Accuity LLP recommended that the Corporation's management commence the preparation of a set of written policies and procedures, including assessment of risk of activities and projects, to ensure subgrantees comply with the requirements of 24 CFR § 93.404.

Status of Recommendation: Resolved.

Financial Statements



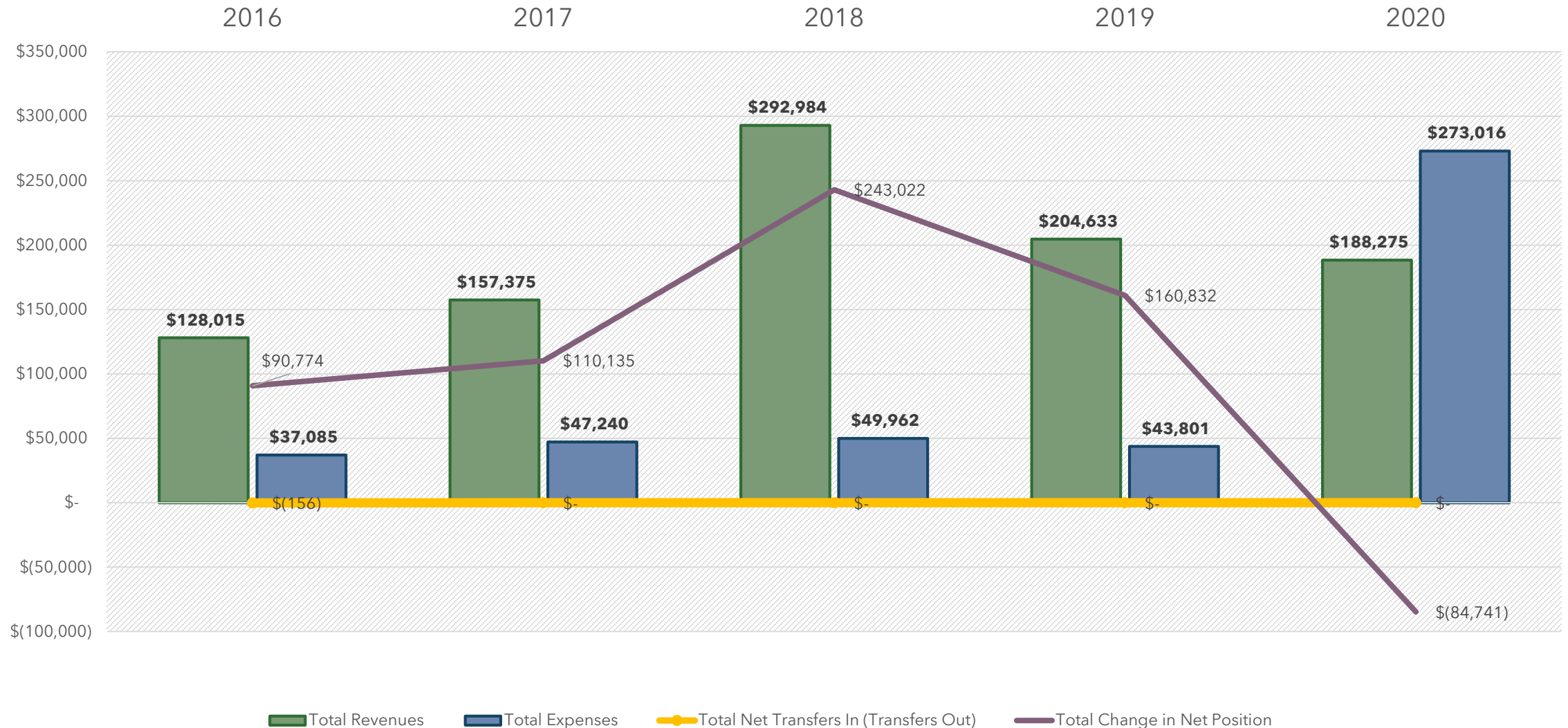
Statement of Revenues, Expenses and Change in Net Position (Statement of Activities)

The Statement of Revenues, Expenses and Changes in Net Position (or Statement of Activities) presents how the Corporation's net position changed during the fiscal year.

Hawaii Housing Finance and Development Corporation

Government-Wide Statements of Activities Trend

(in thousands of dollars)



Statement of Net Position (Balance Sheet)

The statement of net position (or balance sheet) is a snapshot of the financial position of the Corporation as of June 30, 2020. The statement lists all of the Corporation's resources (or assets) and deferred outflows of resources and all that the Corporation owes (or liabilities) and deferred inflows of resources. The difference between the two equals the Corporation's net position.

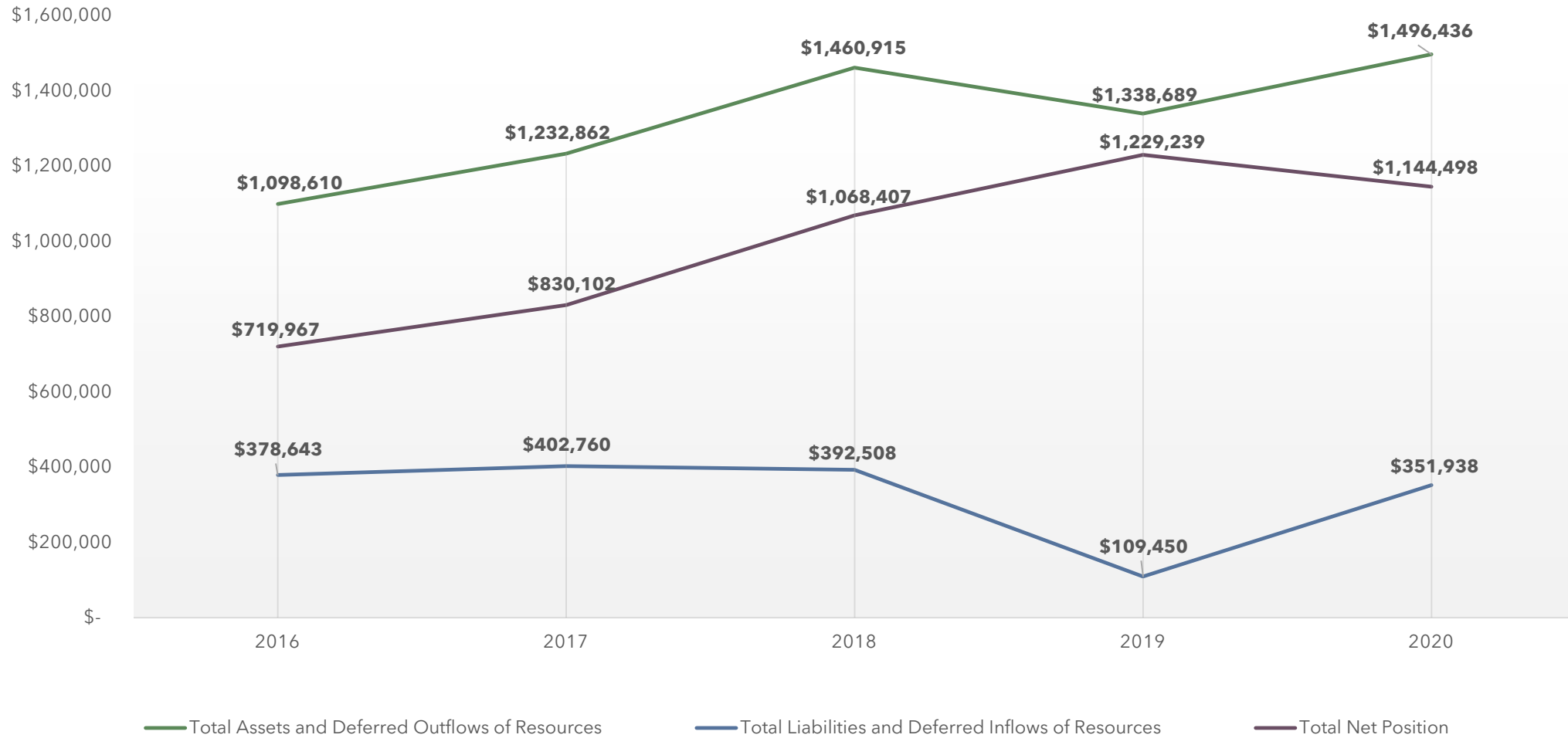
Over time, the changes in net position may serve as a useful indicator of the Corporation's fiscal health.



Hawaii Housing Finance and Development Corporation

Government-Wide Net Position Trend

(in thousands of dollars)



Two Types of Funds of the Corporation



Governmental Funds

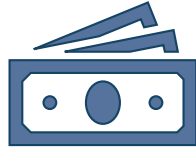
Comprised of funds that are primarily financed with public funds.



Proprietary Funds

Comprised of enterprise funds which are used to account for those activities for which the intent of management is to recover, primarily through user charges, the cost of providing services to customers.

Governmental Funds



General Fund



General Obligation
Bond Fund



HOME Investment
Partnership Program

Financial Statements



Housing Trust Fund
Program



Tax Credit
Assistance Program

General Fund

Accounts for the State's general fund revenues appropriated by the State Legislature to the Corporation and transfer for subsequent use by the Corporation's other funds.

General Obligation Bond Fund

Accounts for the State's issuance and transfer of general obligation bonds proceeds to the Corporation's other funds.

HOME Investment Partnership Program

Accounts for the federally-funded program for the purpose of enhancing the State and local government's ability to provide affordable housing for low- and very low-income families through funding strategies designed to increase the supply of decent affordable housing by offering financial and technical assistance to participating jurisdictions. The Corporation makes payments to the subgrantees on a reimbursement basis.

Housing Trust Fund Program

Accounts for the federally-funded program for the purpose of enhancing the State and local government's ability to provide affordable housing for extremely low-income families through funding strategies designed to increase the supply of decent affordable housing by offering financial and technical assistance to participating jurisdictions. The Corporation makes payments to the subgrantees on a reimbursement basis.

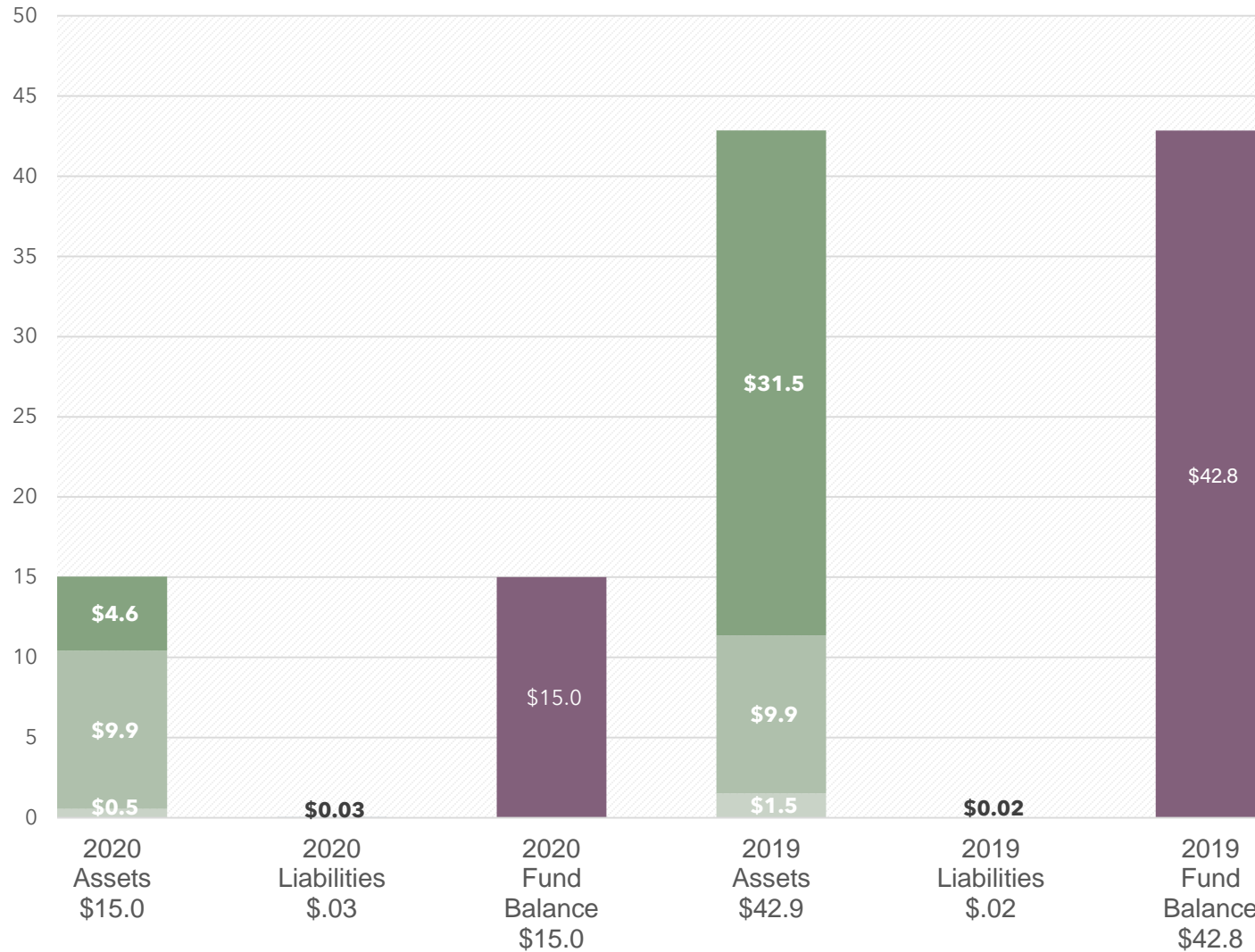
Tax Credit Assistance Program

Accounts for the federally-funded program for the purpose of providing funds directly to designated state housing credit agencies for award to affordable rental housing developments that have been allocated low-income housing tax credits and are in need of additional gap equity funding.

Hawaii Housing Finance and Development Corporation

Governmental Funds Assets and Liabilities

As of June 30, 2020 and 2019
(in millions of dollars)



ASSETS

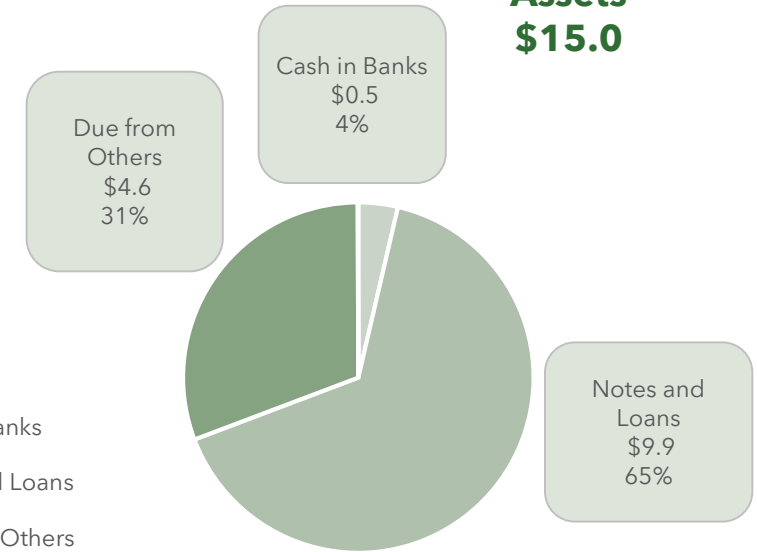
- Cash in Banks
- Notes and Loans
- Due from Others
- Other Receivables

LIABILITIES

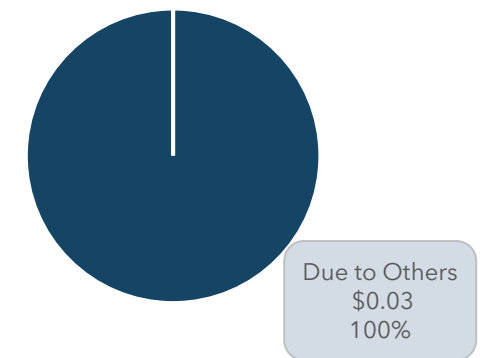
- Accounts Payable
- Due to Others

FUND BALANCE

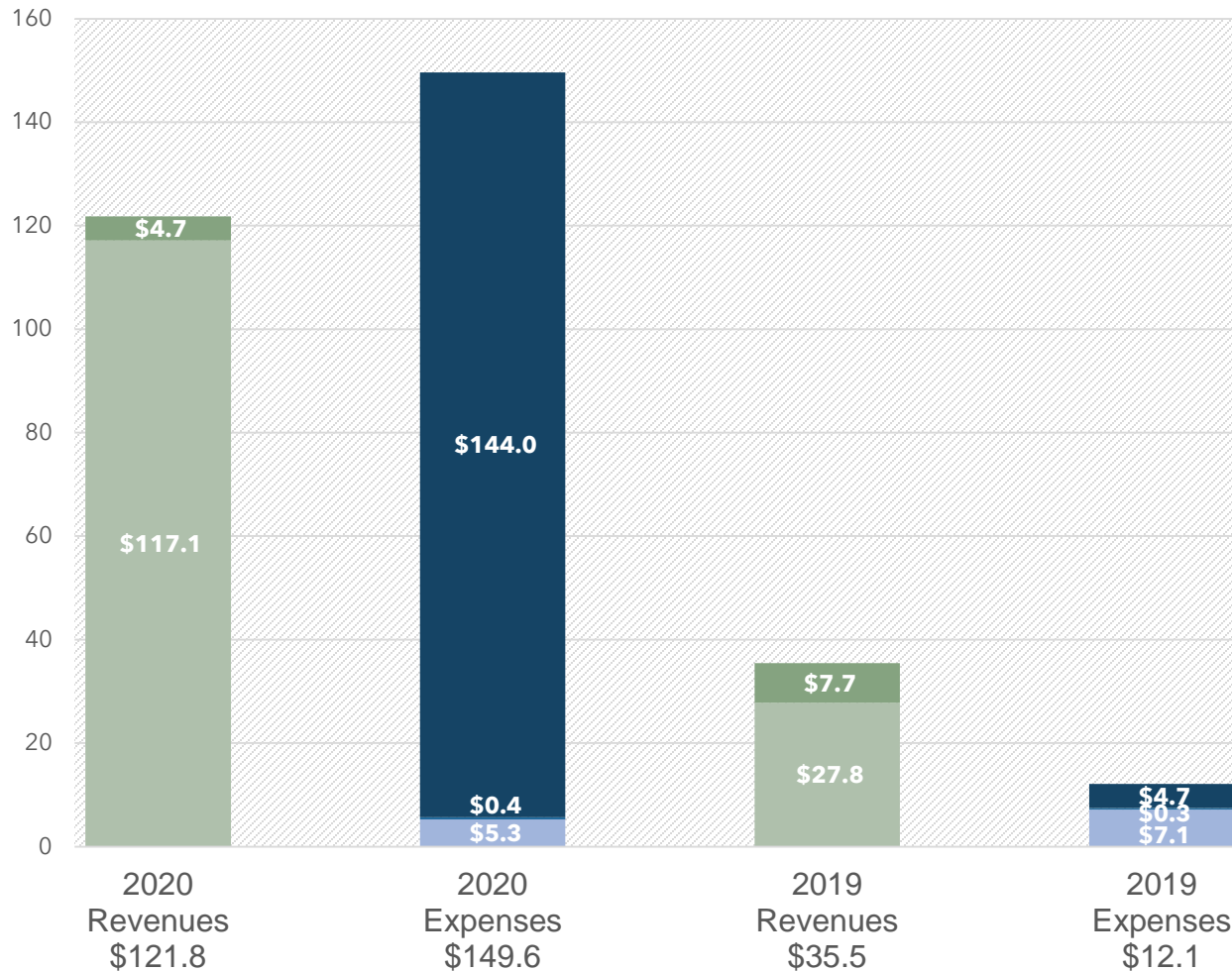
2020 Governmental Funds Assets \$15.0



2020 Governmental Funds Liabilities \$0.03



Hawaii Housing Finance and Development Corporation
Governmental Funds Revenues and Expenses
 For Fiscal Years Ended June 30, 2020 and 2019
 (in millions of dollars)



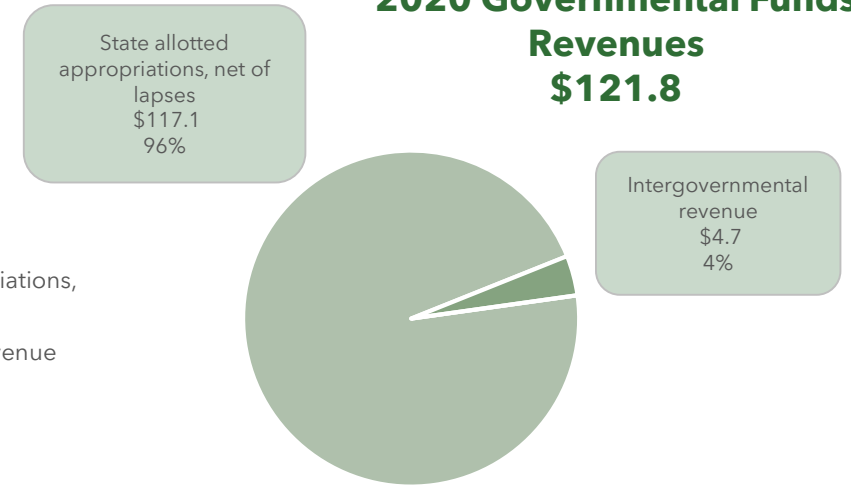
REVENUES

- State allotted appropriations, net of lapses
- Intergovernmental revenue
- Other income

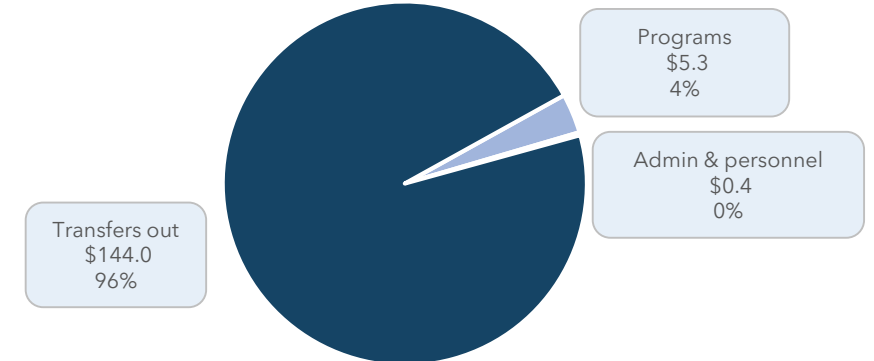
EXPENSES

- Programs
- Admin & personnel
- Transfers out

2020 Governmental Funds Revenues \$121.8



2020 Governmental Funds Expenses \$149.6



Proprietary Funds

Financial Statements

Rental
Housing
Revolving
Fund

Dwelling
Unit
Revolving
Fund

Single
Family
Mortgage
Purchase

Rental
Assistance
Revolving
Fund

Multifamily
Housing
Revenue
Bond Fund

Housing
Finance
Revolving
Fund

Grants in
Aid Fund

Disbursing
Fund

Fiscal Year Ended June 30, 2020 Significant Transactions and Activities in Proprietary Funds

Under the Dwelling Unit Revolving Fund, acquired the leased-fee interest of the following:

- Front Street Apartments in October 2019
- Kamake'e Vista in December 2019

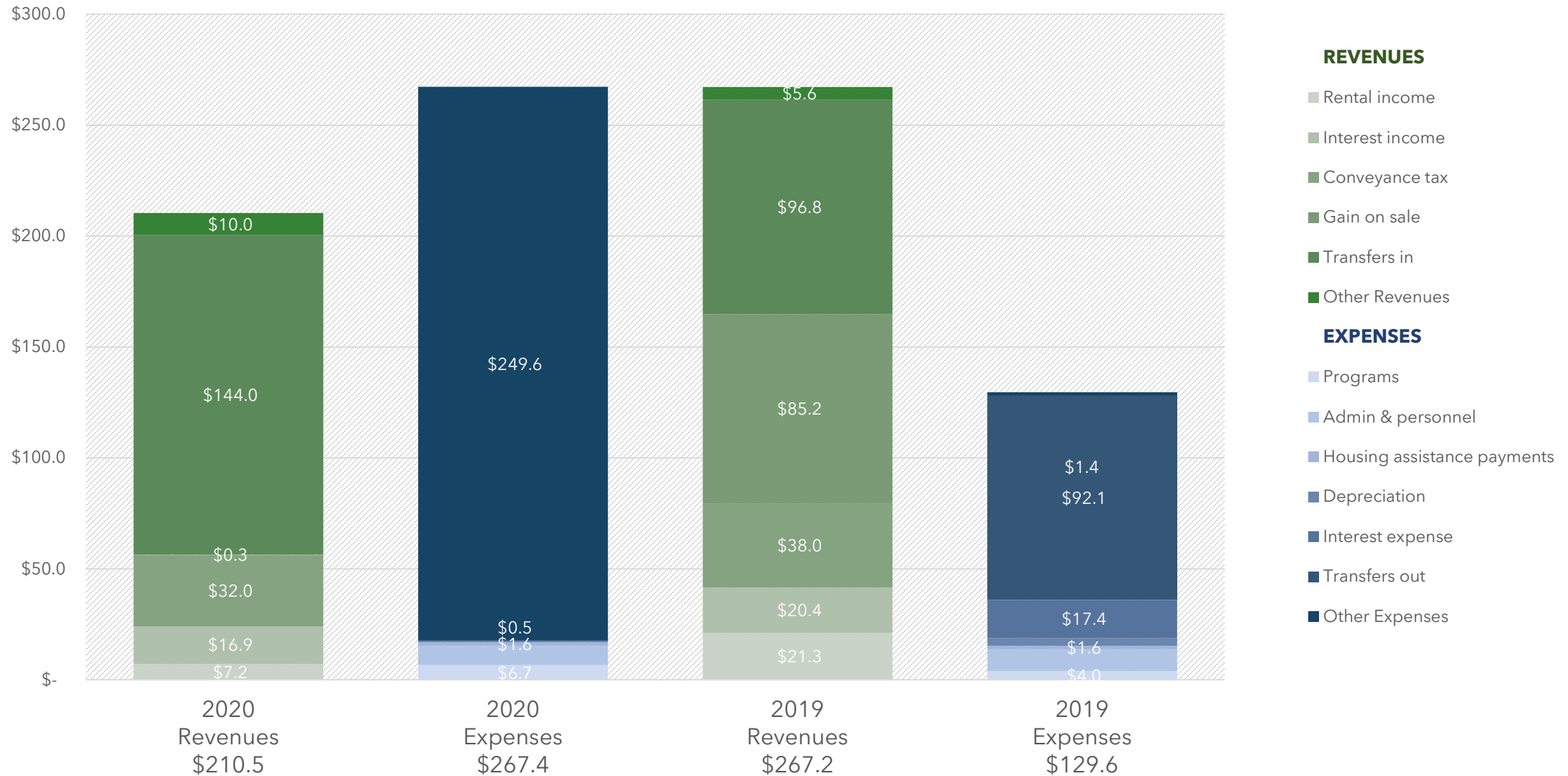
COVID-19
Pandemic:

- On March 4, 2020, the Governor of the State of Hawai'i issued an emergency proclamation to control the spread of the COVID-19 pandemic and has subsequently issued numerous supplemental proclamations. These proclamations impacted the economy and our business.
- The Corporation continues to evaluate both the short-term and long-term impacts of the COVID-19 pandemic on its operations.

Hawaii Housing Finance and Development Corporation

Total Proprietary Funds Revenues and Expenses

For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)

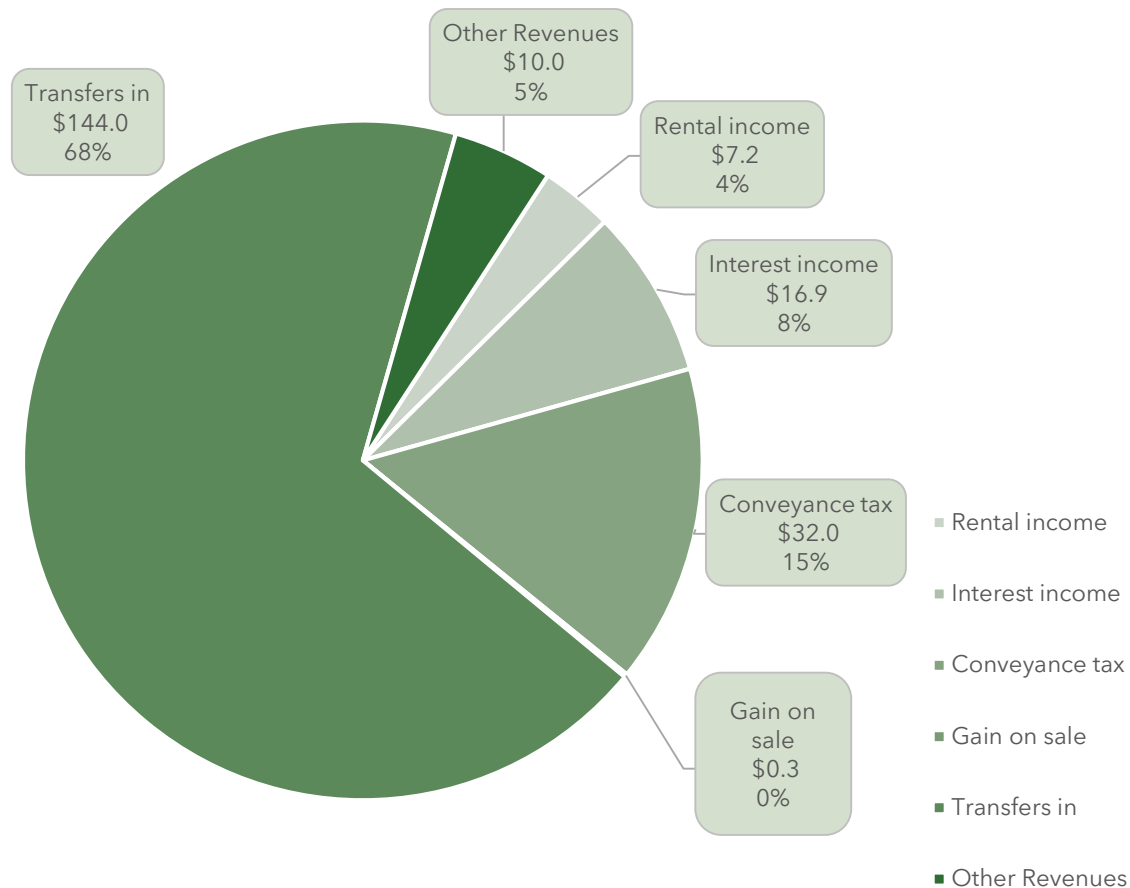


Hawaii Housing Finance and Development Corporation

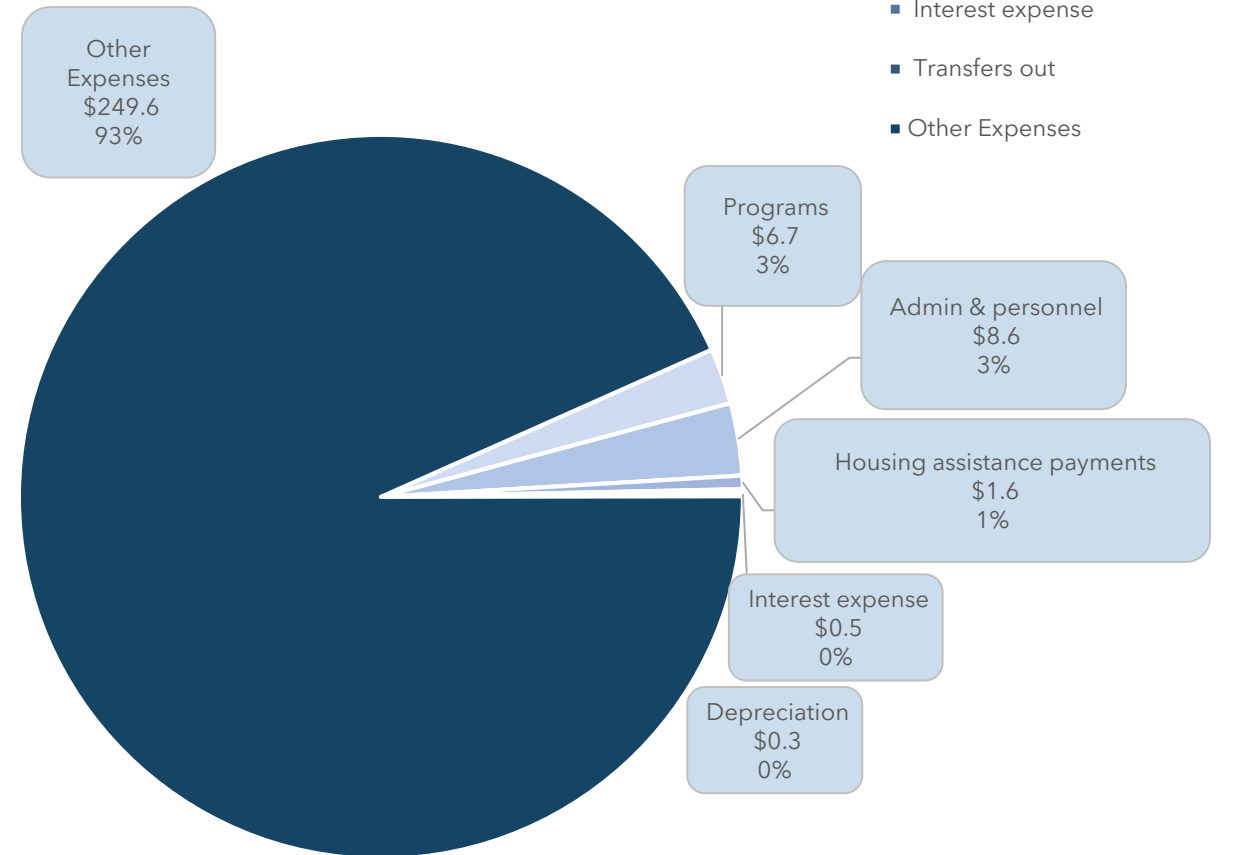
Total Proprietary Funds Revenues and Expenses

For the Fiscal Year Ended June 30, 2020
(in millions of dollars)

2020 Proprietary Fund Revenues \$210.5



2020 Proprietary Fund Expenses \$267.4

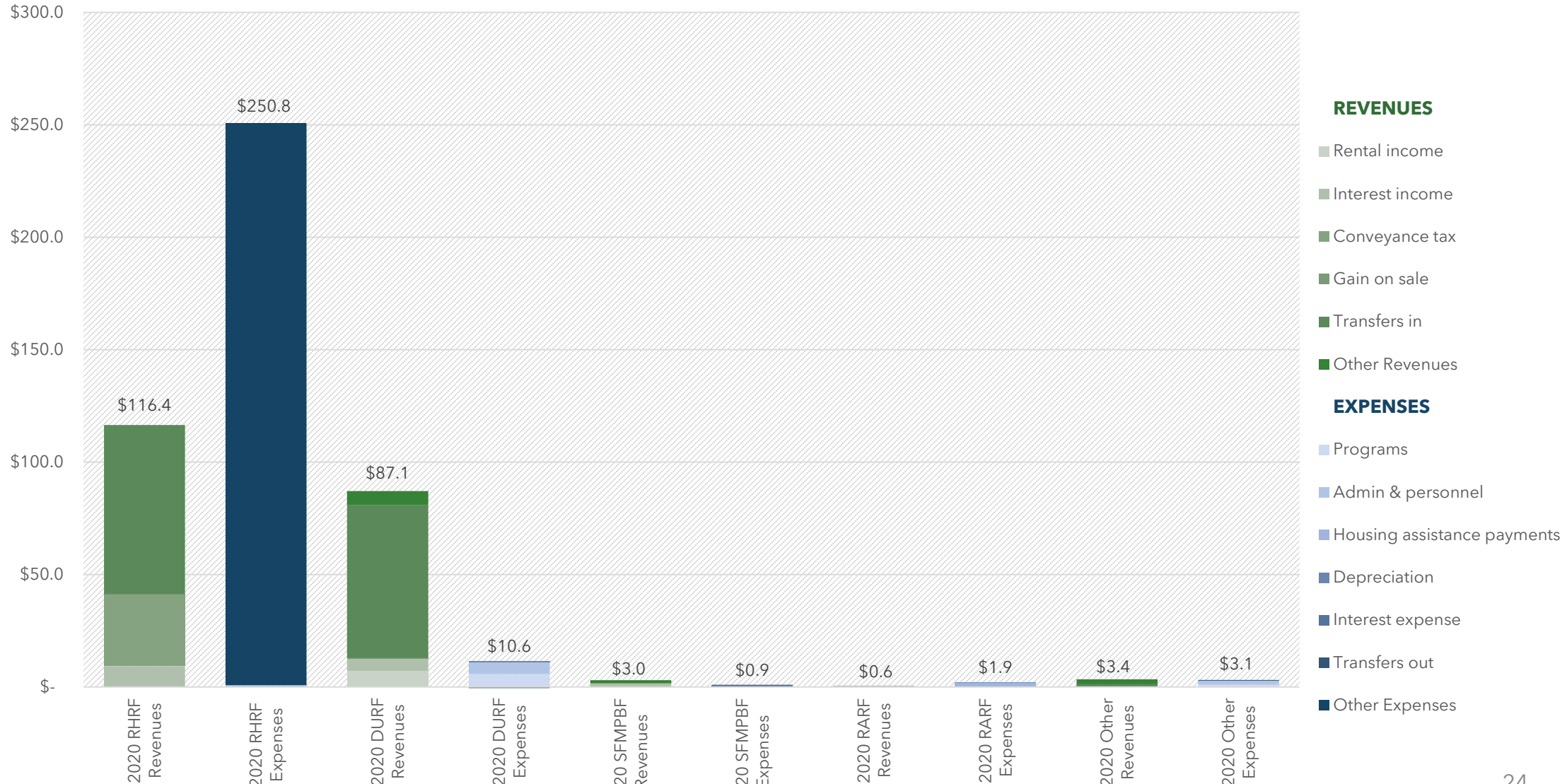


Hawaii Housing Finance and Development Corporation

Revenues and Expenses by Major Proprietary Funds

For the Fiscal Year Ended June 30, 2020

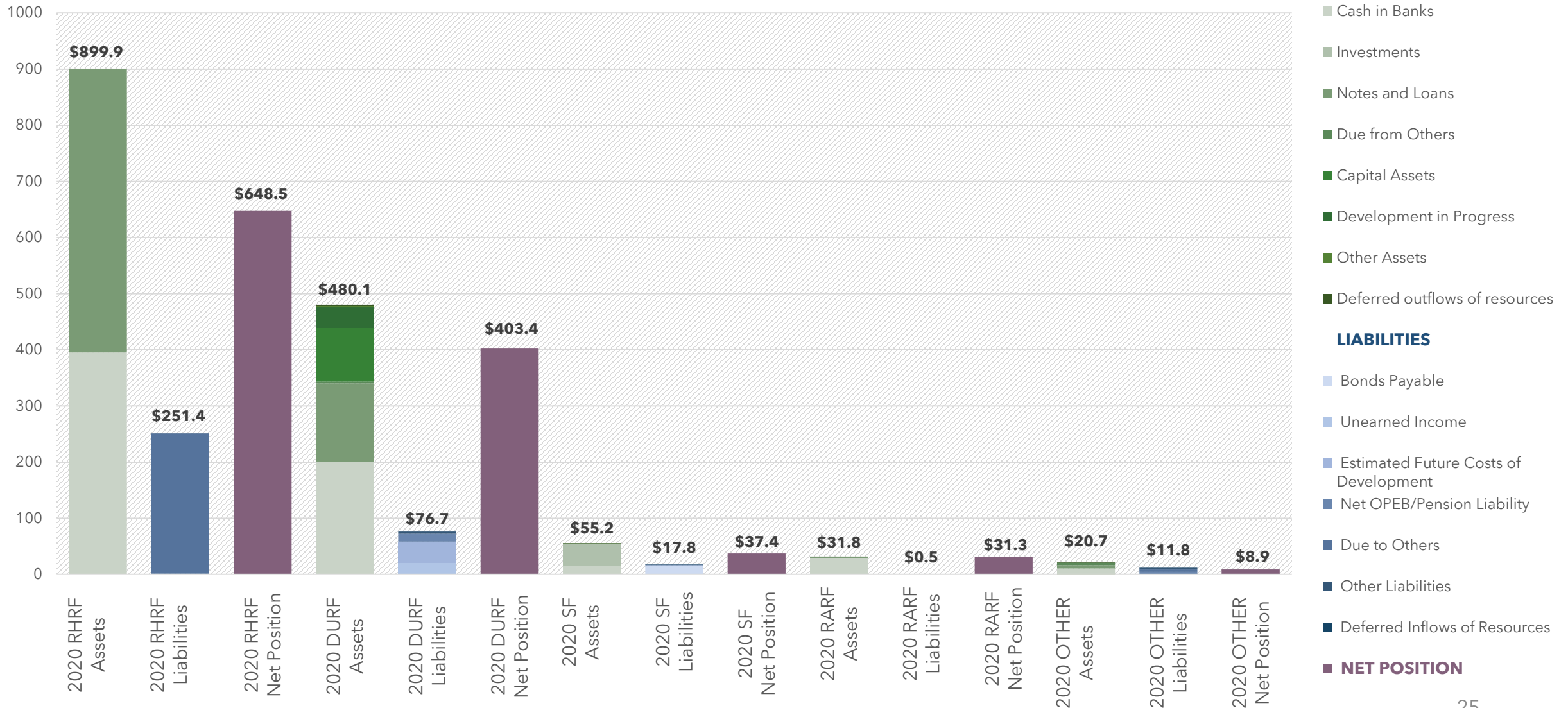
(in millions of dollars)



Hawaii Housing Finance and Development Corporation

Total Proprietary Funds Assets, Liabilities and Net Position

As of June 30, 2020
(in millions of dollars)



Rental Housing Revolving Fund

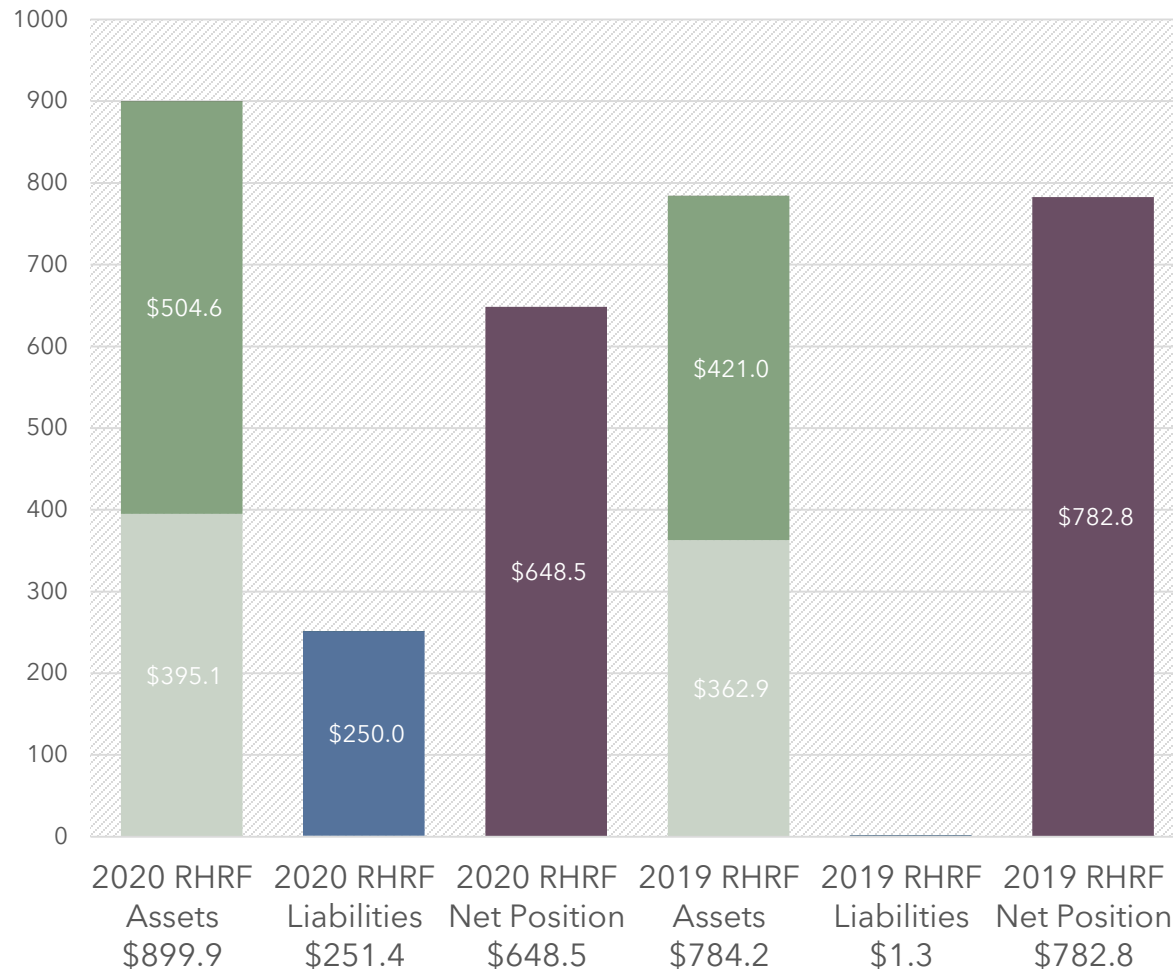
Accounts for State funds, repayment of financing, and interest earnings from the financing and investment of such funds to provide developers of qualified rental housing projects with loans and/or grants for the development, predevelopment, construction, acquisition, preservation and rehabilitation of rental housing units.



Hawaii Housing Finance and Development Corporation

Rental Housing Revolving Fund Assets and Liabilities

For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)



ASSETS

- Cash in Banks
- Investments
- Notes and Loans
- Due from Others
- Capital Assets
- Development in Progress
- Other Assets
- Deferred outflows of resources

2020 RHRF Assets \$899.9

Notes and Loans
\$504.6
56%

Deferred outflows of resources
\$0.2
0%

Cash in Banks
\$395.1
44%

LIABILITIES

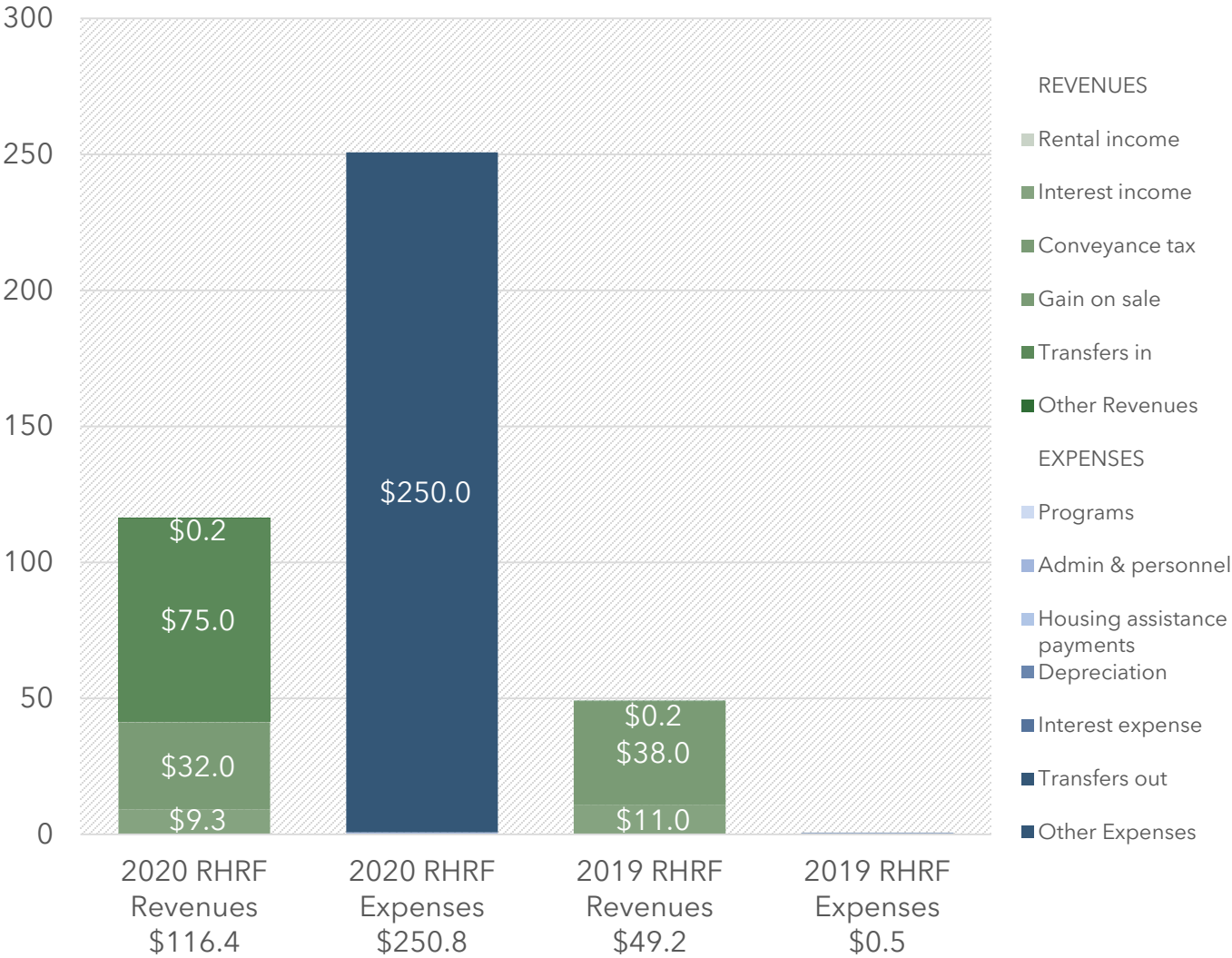
- Bonds Payable
- Unearned Income
- Estimated Future Costs of Development
- Net OPEB/Pension Liability
- Due to Others
- Other Liabilities
- Deferred Inflows of Resources

2020 RHRF Liabilities \$251.4

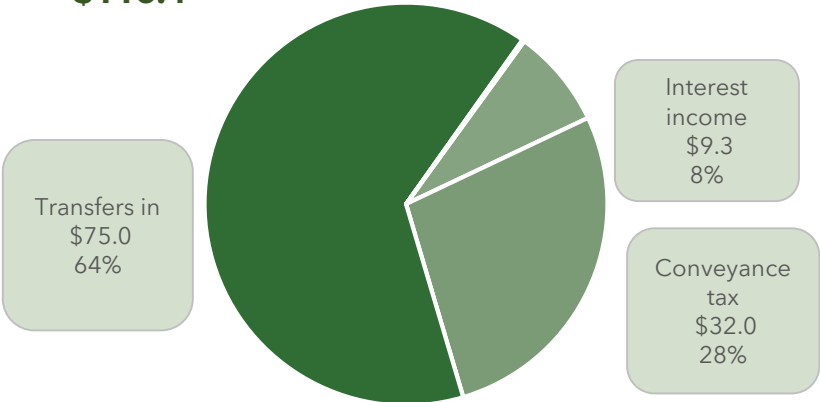
Due to Others
\$250.0
99%

Net OPEB/Pension Liability
\$1.3
1%

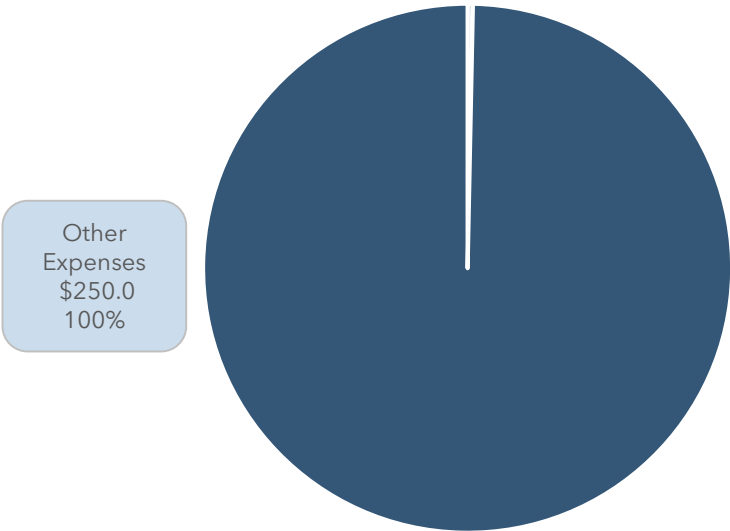
Hawaii Housing Finance and Development Corporation
Rental Housing Revolving Fund Revenues and Expenses
For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)



2020 RHRF Revenues
\$116.4



2020 RHRF Expenses
\$250.8

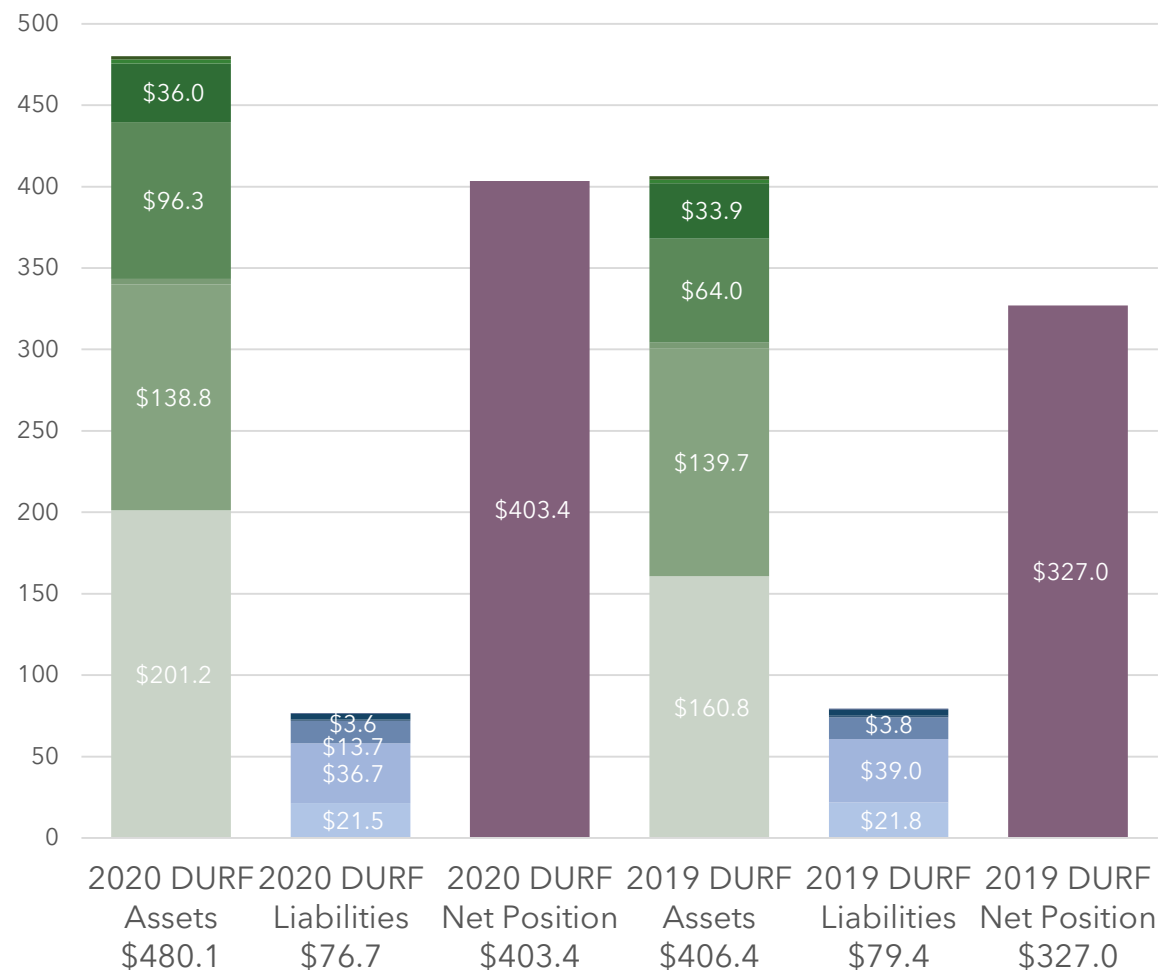


Dwelling Unit Revolving Fund

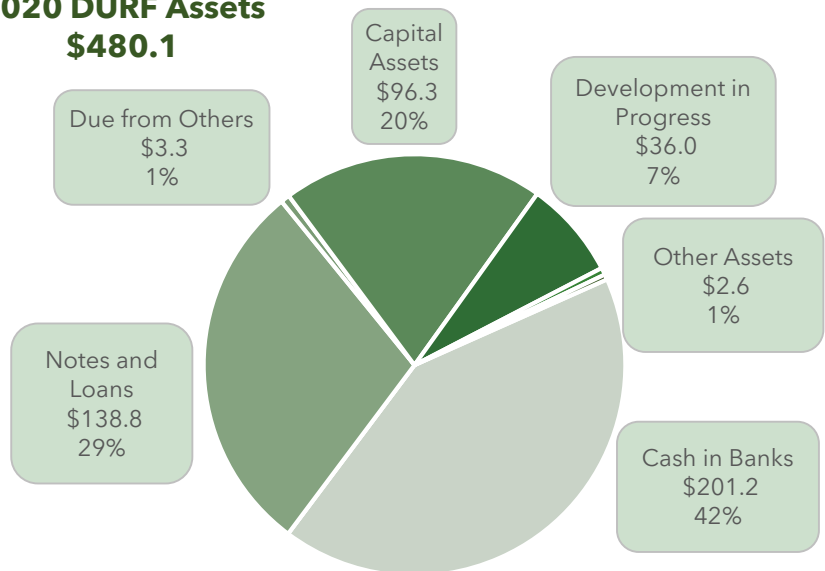
Accounts for State funds used for acquiring, developing, selling, leasing and renting residential, commercial and industrial properties and providing mortgage and interim financing, rental income, sales proceeds, and interest earnings from the financing and investment of such funds.



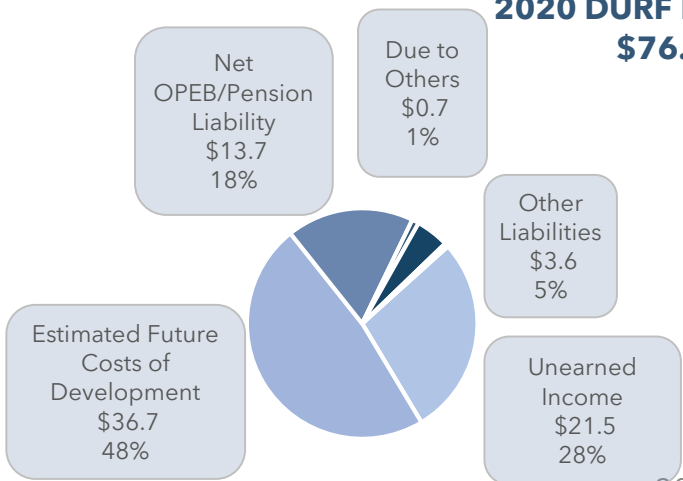
Hawaii Housing Finance and Development Corporation
Dwelling Unit Revolving Funds Assets and Liabilities
For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)



2020 DURF Assets
\$480.1



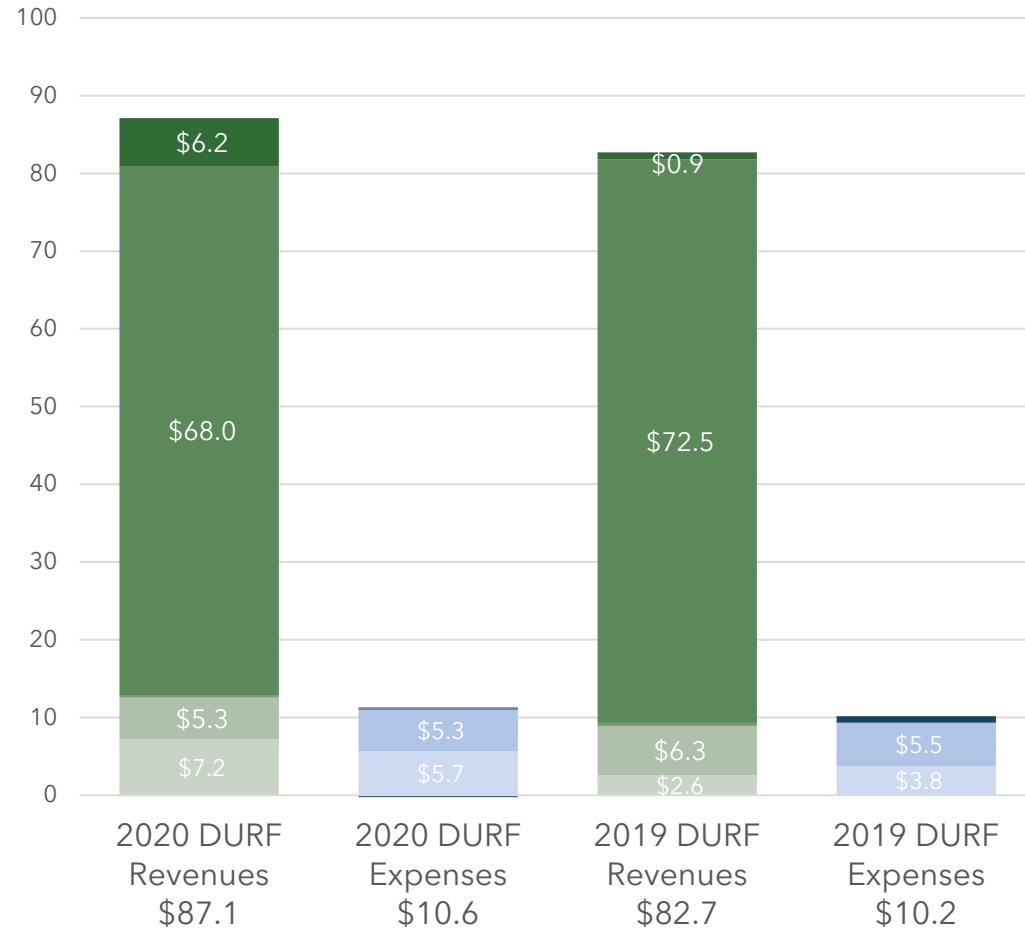
2020 DURF Liabilities
\$76.7



Hawaii Housing Finance and Development Corporation

Dwelling Unit Revolving Fund Revenues and Expenses

For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)



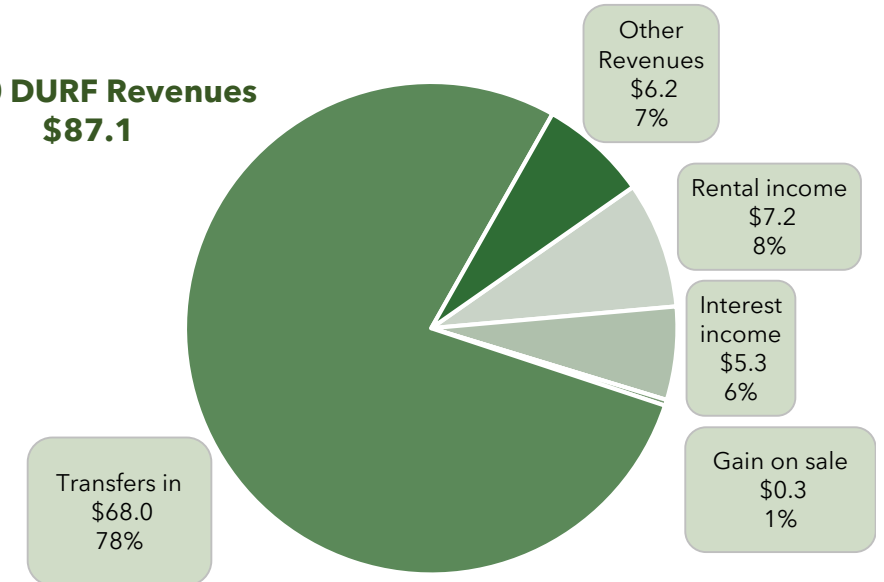
REVENUES

- Rental income
- Interest income
- Conveyance tax
- Gain on sale
- Transfers in
- Other Revenues

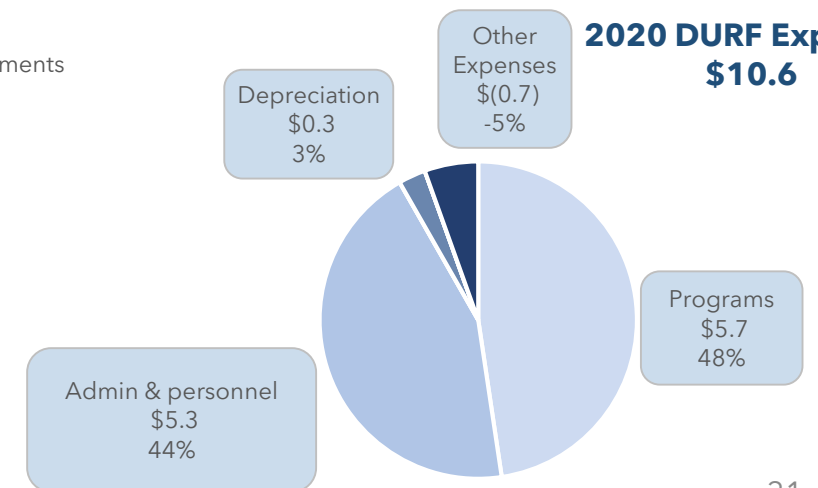
EXPENSES

- Programs
- Admin & personnel
- Housing assistance payments
- Depreciation
- Interest expense
- Transfers out
- Other Expenses

2020 DURF Revenues \$87.1



2020 DURF Expenses \$10.6



Single Family Mortgage Purchase Bond Fund

Accounts for the proceeds from the issuance of bonds used to make below-market interest rate mortgage loans and the repayment, interest and earning from such loans and investments of such funds.



Hawaii Housing Finance and Development Corporation

Single Family Mortgage Purchase Revenue Bond Fund Assets and Liabilities

For the Fiscal Years Ended June 30, 2020 and 2019

(in millions of dollars)



ASSETS

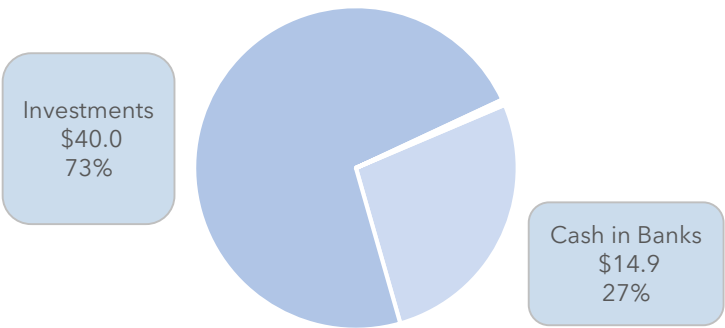
- Cash in Banks
- Investments
- Notes and Loans
- Due from Others
- Capital Assets
- Development in Progress
- Other Assets
- Deferred outflows of resources

LIABILITIES

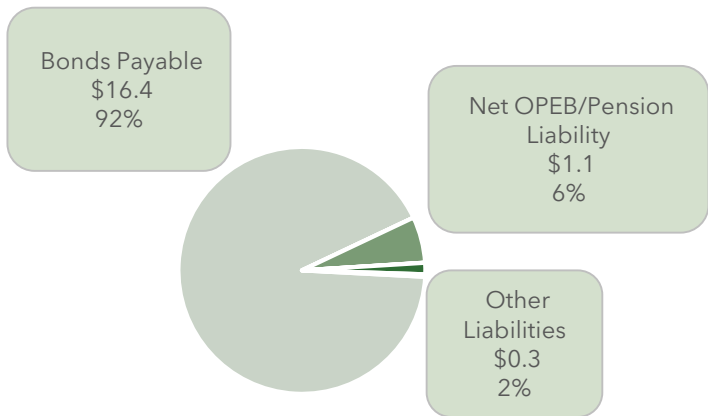
- Bonds Payable
- Unearned Income
- Estimated Future Costs of Development
- Net OPEB/Pension Liability
- Due to Others
- Other Liabilities
- Deferred Inflows of Resources

NET POSITION

2020 SFMPRBF Assets
\$55.2



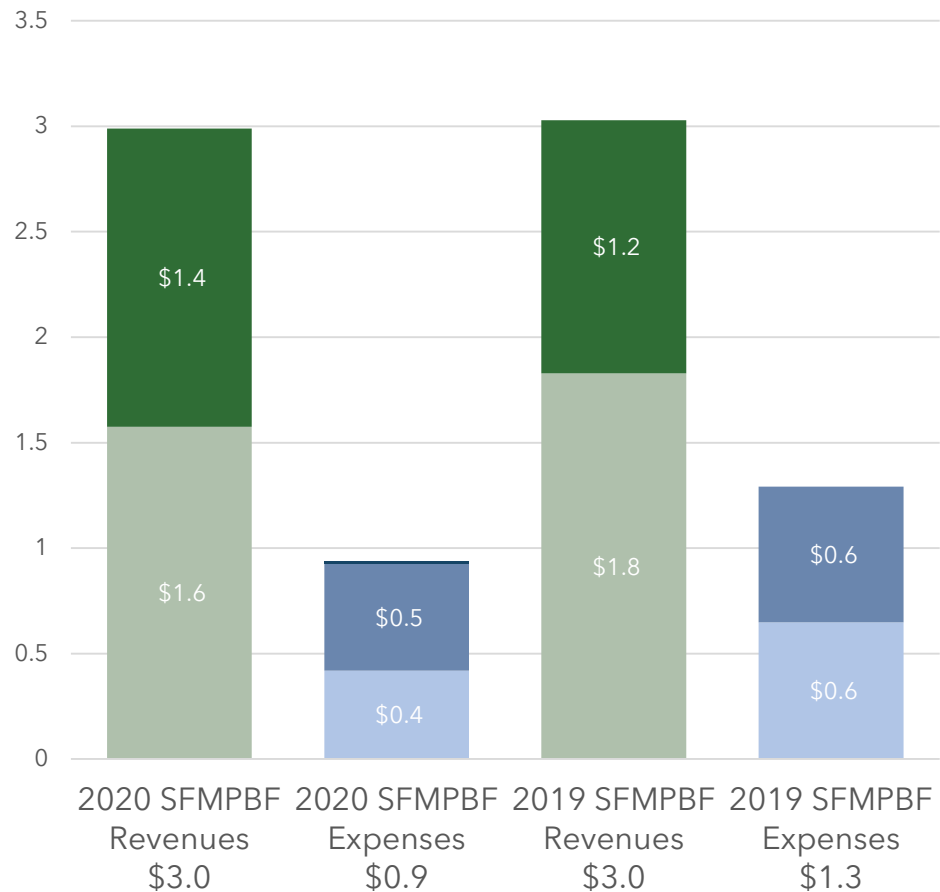
2020 SFMPRBF Liabilities
\$17.8



Hawaii Housing Finance and Development Corporation

Single Family Mortgage Purchase Bond Fund Revenues and Expenses

For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)

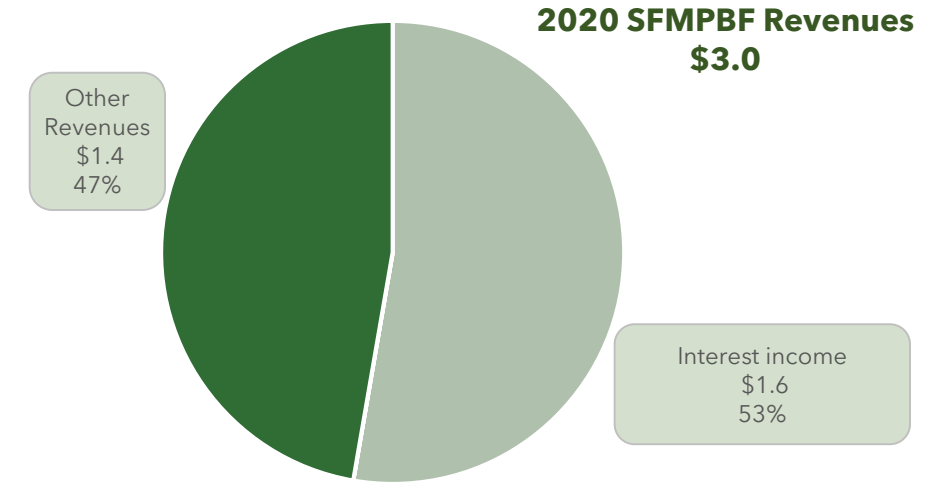


REVENUES

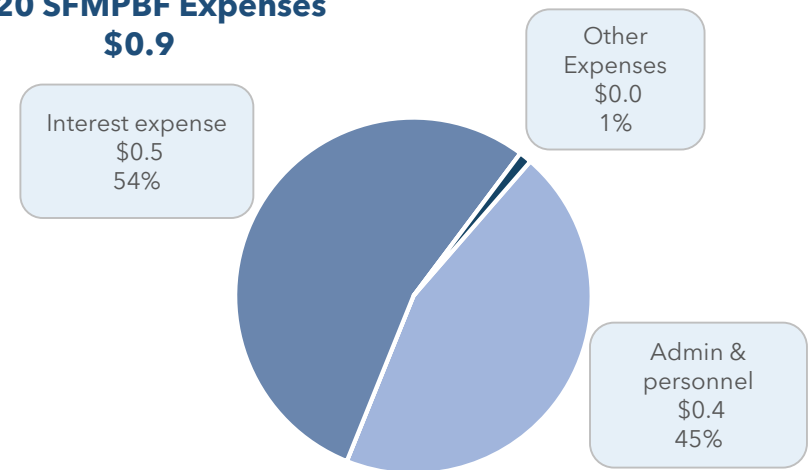
- Rental income
- Interest income
- Conveyance tax
- Gain on sale
- Transfers in
- Other Revenues

EXPENSES

- Programs
- Admin & personnel
- Housing assistance payments
- Depreciation
- Interest expense
- Transfers out
- Other Expenses

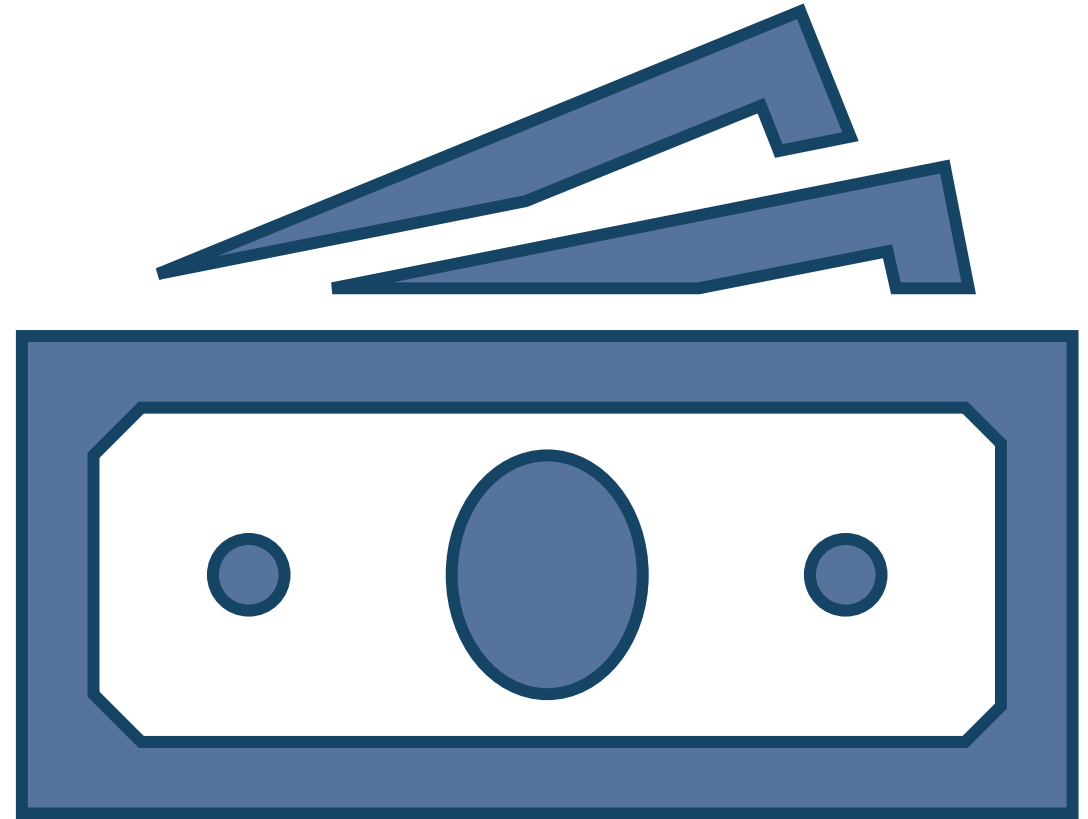


2020 SFMPBF Expenses \$0.9



Rental Assistance Revolving Fund

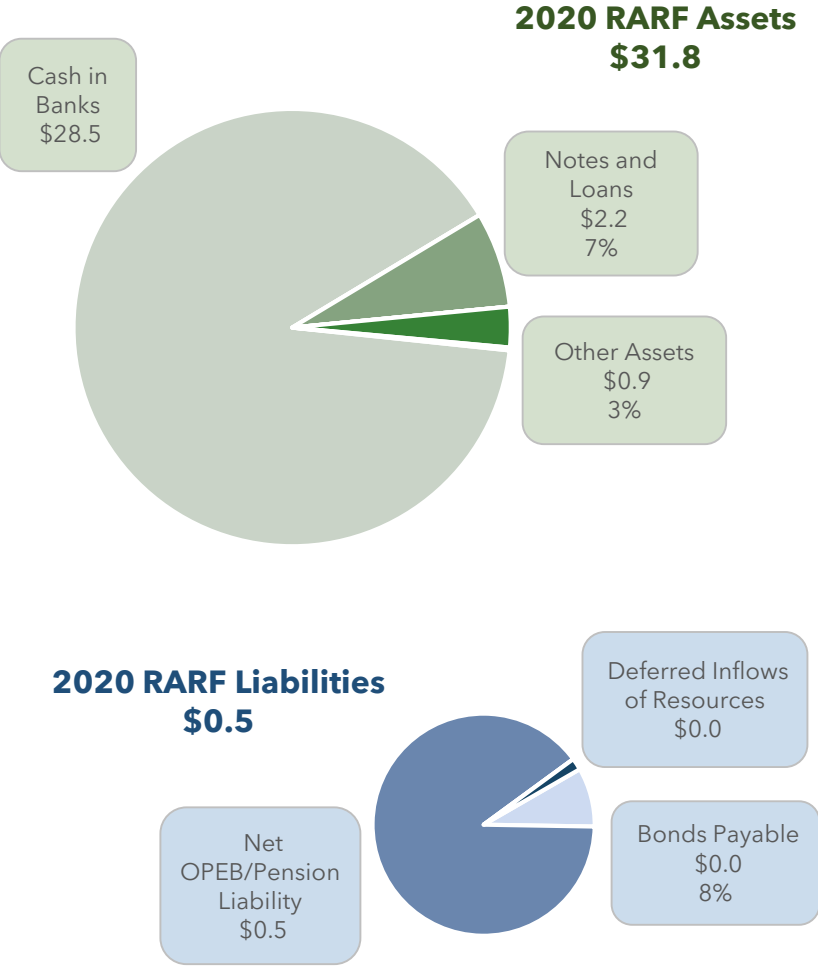
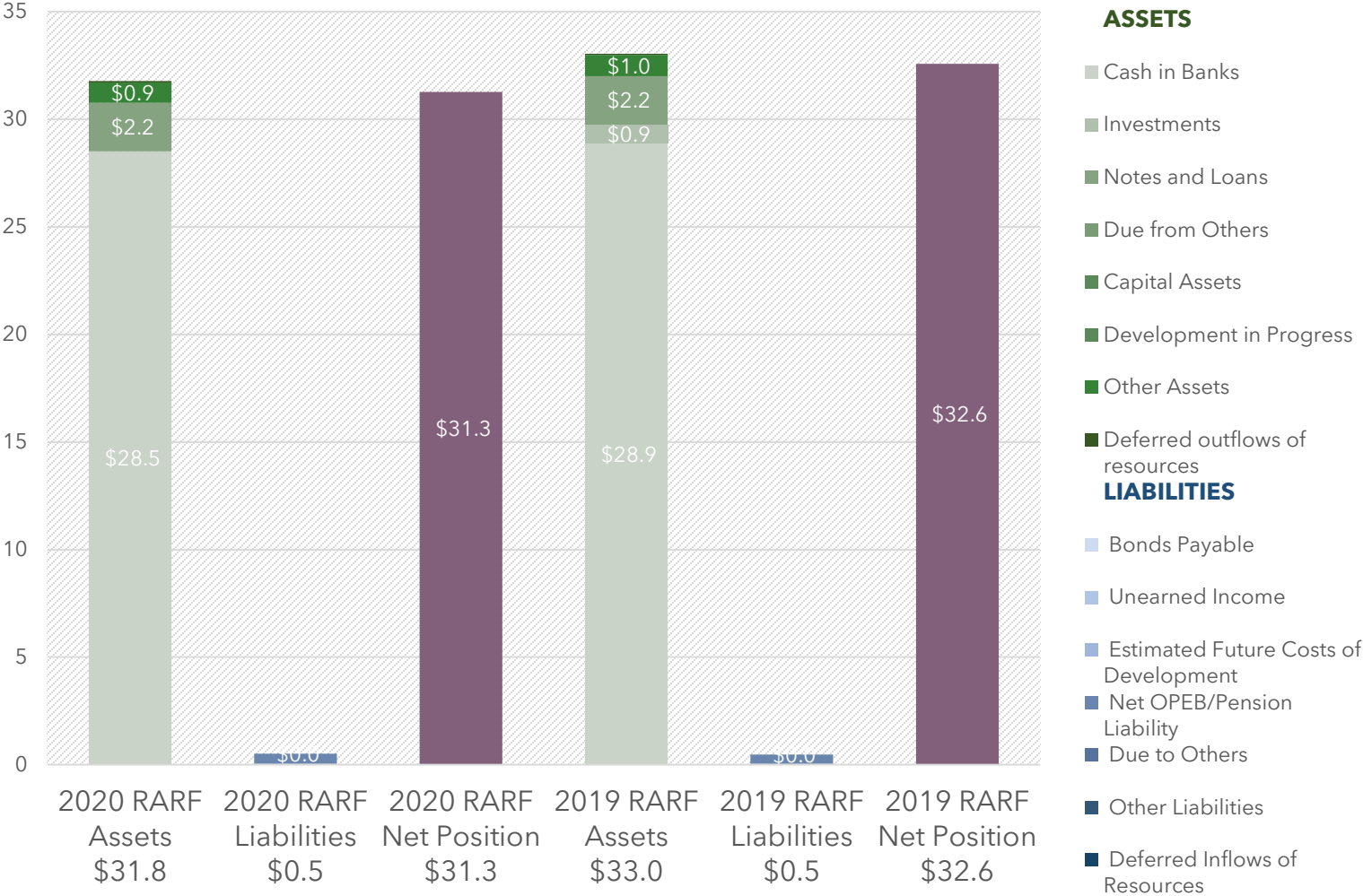
Accounts for the rental assistance subsidies provided to qualified owners to assist eligible tenants who live in rental housing developments and to provide for interim construction financing for rental housing projects.



Hawaii Housing Finance and Development Corporation

Rental Assistance Revolving Fund Assets and Liabilities

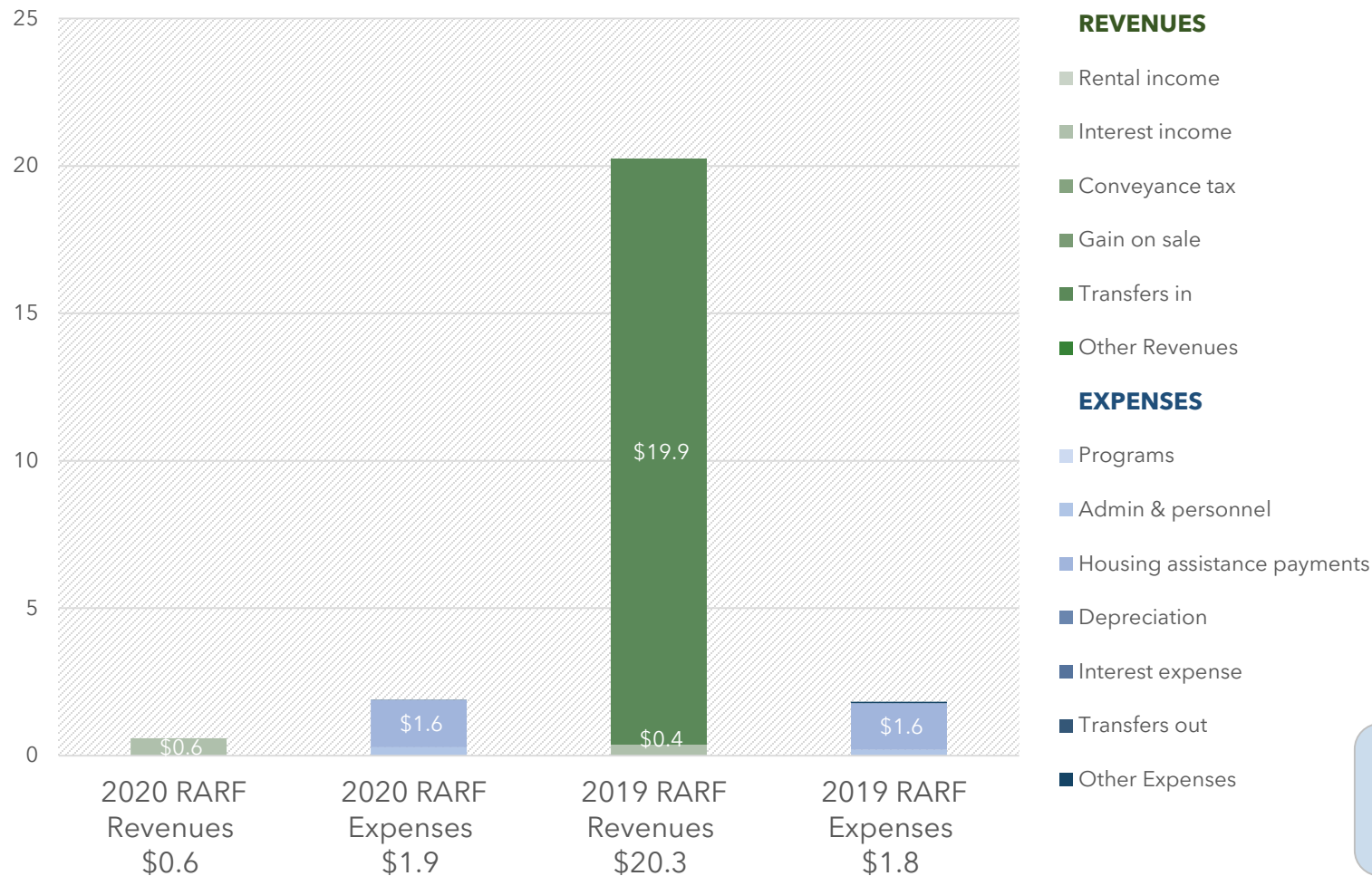
For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)



Hawaii Housing Finance and Development Corporation

Rental Assistance Revolving Fund Revenues and Expenses

For the Fiscal Years Ended June 30, 2020 and 2019
(in millions of dollars)



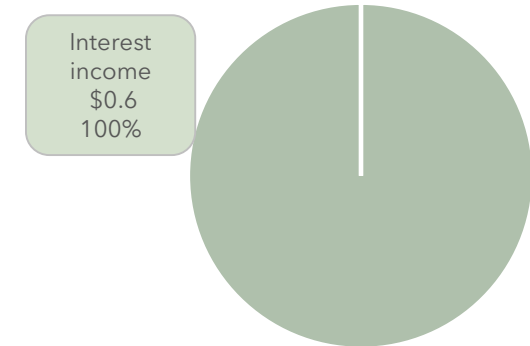
REVENUES

- Rental income
- Interest income
- Conveyance tax
- Gain on sale
- Transfers in
- Other Revenues

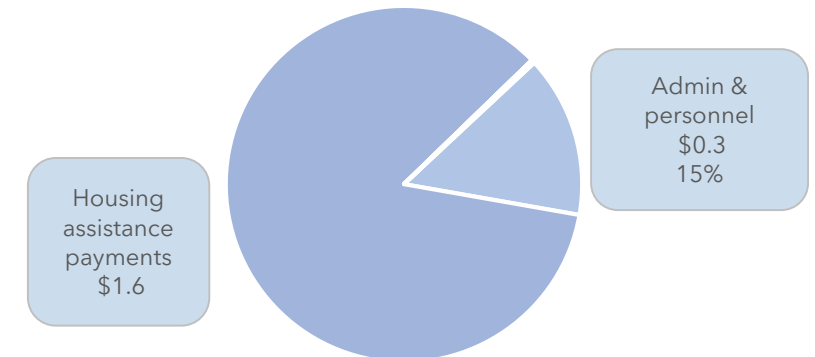
EXPENSES

- Programs
- Admin & personnel
- Housing assistance payments
- Depreciation
- Interest expense
- Transfers out
- Other Expenses

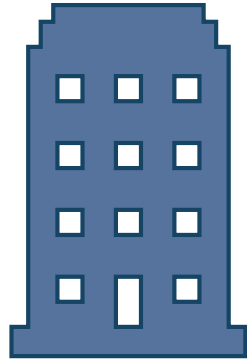
2020 RARF Revenues \$0.6



2020 RARF Expenses \$1.9



Subsequent Events



In November 2020, Conveyance of leasehold interest of Kamake'e Vista under the Dwelling Unit Revolving Fund



Beginning August 2020, Administered the Housing Relief and Resiliency Program from CARES Act funding

Questions or Comments

